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Automotive News

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Dealers voice gripes, views at make meetings

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LAS VEGAS, Nev. — Customer rebates and who pays for them, the importance of car quality, computer systems controversies and future product plans were among the key issues discussed in make meetings at the National Automobile Dealers Association annual convention.

While the media were excluded from the actual sessions, Automotive News reporters were able to piece together details of what transpired from dealer and manufacturer sources. Gathering complete details was not always possible because the meetings were closed by NADA, but what follow are the best available accounts of what happened at the major make sessions.

In separate make meetings, Chevrolet and Ford/Lincoln-Mercury dealers overwhelmingly agreed they would prefer $700 customer rebates fully paid by the factories rather than the current $1,000 rebates to which dealers must contribute $300 in addition to the factories' $700.

One Chevy dealer said that when dealers have to contribute $300 toward the rebate, "They've got to almost mislead the customer; they've got to make up that $300 on the trade-in or something of that nature."

Yet, in a private session with GM Chairman Roger B. Smith, dealers representing all five GM makes were said to have favored the $1,000 rebate — so that GM could maintain its competitive position against Ford.

Warranties also were a hot make-meeting topic. Although Chrysler's extended 7-year/70,000-mile drivetrain warranty and 6-year/60,000-mile drivetrain warranties at General Motors and Ford were generally praised, Cadillac dealers expressed concern that such generous offerings narrowed the gap between Cadillac and other GM divisions.

Cadillac General Manager John O. Grettenberger assured Cadillac dealers that their warranties would remain distinctive — and the best.

And, in a related development, there were indications given to Chevrolet dealers that GM would this week broaden its extended warranty coverage from drivetrains to such things as air conditioning and soft trim.

At Chevrolet and Chrysler-Plymouth sessions, quality was a major topic. One Chevy dealer complained that the Chevy Nova was difficult to sell against the Toyota Corolla, even though Nova is a Corolla derivative and is built in a Toyota-managed plant in Fremont, Calif.

"GM and Chevy aren't telling the story," that dealer said. "They've got to tell peo[illegible]

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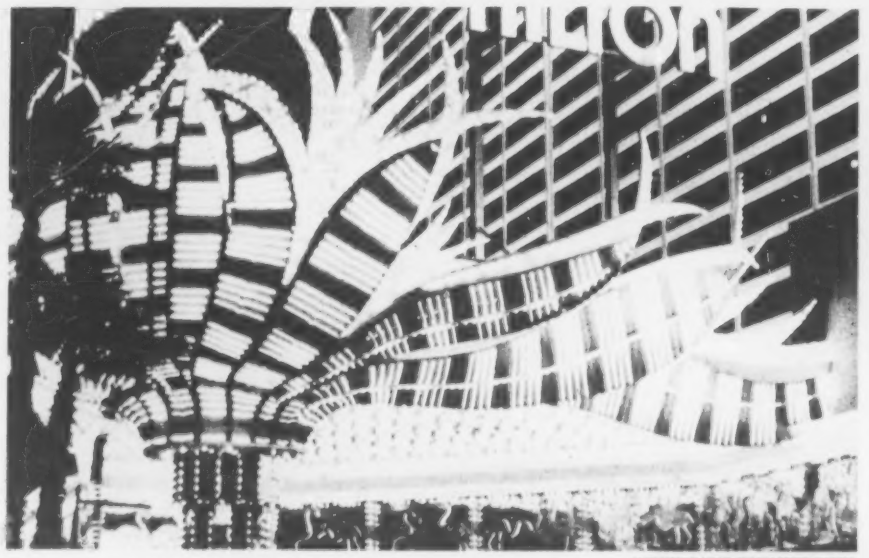

AUTOMOTIVE NEWS JOE WILSSENS PHOTOS

Activities at the 1987 NADA convention ranged from lectures to parties

NADA: *Incentives, megadealers are hot issues; dealers shop for computers, franchises*

By Kathleen Hamilton
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS — The record-breaking 70th convention of the National Automobile Dealers Association found dealers shopping for computers and looking for franchises for low-priced vehicles. The megadealer phenomenon and factory incentives proved this year's hottest topics — for conversation and study sessions.

A preliminary tally of attendance at the Las Vegas gathering showed 11,000 pre-paid registrants — a record — another 4,000 who registered during the convention — a record — and 5,000 more registrants from exhibitors.

Workshop attendance, hotel rooms, the number of exhibitors and exhibit space also hit all-time highs, said Convention Chairman H.E. "Buddy" Derrick Jr., Lexington (Va.) Motor Sales.

As usually happens when auto dealers gather, there was a mood of optimism about sales for

see CONVENTION, page 99

Japanese incentives spreading

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS, Nev. — Subaru of America launched a cash-to-dealer program last week, leaving American Honda and Mazda as the only Japanese marketers not offering car incentives.

Subaru's deal is a flat-rate $500 to $1,200 allowance per car from Feb. 4 to March 10, without qualifiers or volume increases, President Tom Gibson said.

The program, jointly funded by Subaru of America and independent distributors, is aimed at reducing growing inventories and clearing out about 7,000 remaining 1986 models.

Dealers get $1,200 for each 1986 XT coupe, GL-10 or any turbocharged car and $500 for all other 1986 models sold during the 40-day period. The offer is $1,000 for 1987 front-wheel-drive GL-10s and front-drive GL turbos and $500 for all other 1987 front-drive GLs except for Justy, Brat and hatchback models.

The program was revealed as Subaru inventories grew from a 50-day supply in December to 75 days at the end of January.

The Subaru program is similar to those of other Japan-based marketers — not offering deals directly to consumers, but only to dealers. The only recent direct incentive on cars was an American Isuzu low-interest-rate offer that ended Dec. 31.

Cash-to-dealer incentives are currently in force at Nissan, Toyota and Mitsubishi.

Nissan is offering $300 to $600 on each Sentra, Stanza and Maxima sold between Jan. 7 and April 2, depending on volume. Toyota dealers get $200 to $1,000, depending on volume, on Corolla FX-16s sold in the first quarter. Mitsubishi dealers receive between $400 and $1,000 for each car or truck sold through March 1, depending on overall volume, with a $500 bonus on each Galant.

Direct consumer incentives have been commonplace for several years on Japanese-made trucks in the highly competitive small truck segment, but major Japanese marketers have been reluctant to break the direct incentive barrier on cars. But many import dealers said they believe widespread import car incentives will be inevitable, perhaps coming as early as March, as inventories build.

Ford ups truck warranty as Chicago show opens

By Dave Zoia
AUTOMOTIVE NEWS STAFF REPORTER

CHICAGO — Ford Motor Co. fired the latest shot in the war over new-vehicle warranties, extending its 6-year/60,000-mile powertrain and 6-year/100,000-mile rust-through protection to its 1987 model light trucks.

Ford made its announcement prior to the opening of the 79th annual Chicago Auto Show.

Also at the auto show, American Motors President Joseph E. Cappy said the automaker expects to sell

1988 Renault Premier: designed by Italy's Giugiaro and built in Ontario

"We'll sell that many and more — easily," Cappy said in a speech prepared for the Premier's unveiling at the show. "Our dealers are ready on cloud nine drooling [illegible]er this car, even though they won't be selling it until the fall."

Cappy said sales of the higher-profit-margin Premier, the imported Medallion coming this spring, the Alpine sports car and Premier-based coupe would spark a financial recovery at AMC.

The Premier will be assembled at AMC's new plant in Bramalea, Ont., Canada.

In addition to new product unveilings at the Chicago Auto Show, warranties were the subject of much discussion.

The new Ford warranty program, which covers 1987-model Econoline vans, Club Wagons, F-Series pickups, Bronco, Bronco II, Ranger and Aerostar — came in response to the recently announced 7-year/70,000-mile Chrysler Motors powertrain warranty for both cars and trucks.

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U.S. car sales fall in January Page 102

NEWSPAPER

B-O-C shuts dining room for execs

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

WARREN, Mich. — In an attempt to break down barriers between employees, General Motors' Buick-Oldsmobile-Cadillac Group has shut down an executive dining room at its GM Tech Center headquarters.

The Feb. 1 closing was a "symbolic" gesture to show B-O-C's desire to open up communication channels among workers, said spokesman Stan Hall.

"The whole idea is that we are trying to create a more participative management style," he said. "One of the ways to do this is to break down the barriers between various levels of people."

Approximately 40 executives had access to the dining room, Hall said. They will now use the main cafeteria for in-house meals. In that cafeteria, which sits beneath a four-story atrium adjacent to the old dining room, employees stand in line for their meals and pay for them on-site.

The same kitchen served both eating areas, said Hall. But the executives had meals delivered to their tables, and a $50 monthly dining-room fee was taken from their paychecks.

GM's cafeteria operations are partially subsidized by the company, Hall said.

The dual-room setup was left over from the days when the old GM Assembly Division occupied the building, Hall said. The idea was to give managers a place to discuss business privately.

B-O-C moved into the space after GM's corporate realignment in 1984.

The joint dining plan surfaced after the formation of B-O-C in 1984, when a transition team began looking at ways to change the group's corporate culture, Hall said.

As part of that effort, B-O-C also developed joint strategy teams to encourage communication between management and the UAW. Typically, representatives from B-O-C and UAW trades groups meet monthly. And every quarter their ideas are brought before top B-O-C and union officials.

GM's Chevrolet-Pontiac-Canada Group, which has a similar cafeteria setup in its Tech Center headquarters, will continue to operate its executive dining room, a spokeswoman said. At some C-P-C operations, all employees share the same dining area, she said.

Production to begin in 1989

TARRYTOWN

GM's oldest plant was built in 1900, but its modern contract won minivan

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

General Motors' North Tarrytown, N.Y., plant has won production of the new plastic-body all-purpose minivan.

GM said it will invest $250 million in the facility, whose workers recently ratified a local contract that eliminates traditional job classifications in favor of the team method of production. (Automotive News, Jan. 19).

Production of the minivan is scheduled to begin in February 1989. It will be marketed by Chevrolet and Pontiac.

Tarrytown is GM's oldest plant. Walker Steamer automobiles were built in 1900 at the facility, which is located 20 miles north of New York City. The plant was sold to Maxwell-Briscoe in 1903. W.C. Durant bought it in 1914 and began Chevrolet production there in 1915.

GM pilot-tested its Quality of Work Life program in Tarrytown in 1973. "That was the start," said John Clark, shop chairman of the bargaining committee of UAW Local 664.

"Back then, we realized what was confronting us. QWL means mutual trust and respect — common sense, really," he said. "We were an old plant, a militant plant. We filed hundreds of grievances. We were cutting up and carrying on.

"We realized that was no way to run a business," Clark said.

GM has told workers at Tarrytown it is committing $80 million for land improvement, construction of a plant addition, tooling, machinery and equipment. In 1985, GM announced a $170 million investment to construct a new paint shop at the plant.

GM President F. James McDonald made the announcement that Tarrytown had been selected to produce the minivan.

Apparently countering recent criticism by UAW President Owen Bieber before a Senate Labor subcommittee (Automotive News, Feb. 2), McDonald said, "I'm proud to say that General Motors is investing more into America's industrial future than anyone else in the auto industry, if not all of American industry."

Bieber told the subcommittee that — rather than close plants — automakers should "renew their commitment to U.S. production and concentrate their resources on improving U.S. manufacturing capabilities."

McDonald told the Tarrytown workforce, "In the first six years of this decade, GM has invested $41.5 billion to increase the profitability and productivity of its American plants and facilities." He said the investment in the Tarrytown plant is a major step in GM's commitment to revitalize this country's industrial base and maintain American jobs.

McDonald said key factors in the decision to build the minivan at Tarrytown were the new labor agreement, commitment of the 4,500 employees to achieve world-class excellence and a close working relationship with state and local governments.

Clark said that the state has committed training funds as well as a training facility and will make infrastructure improvements such as raising railroad bridges and widening roads.

The state also has said it will encourage a supplier to locate a facility 40 miles north of the Tarrytown plant to produce plastic panels.

Clark said production of the new front-wheel-drive minivan is slated to begin in February 1989, with 90,000 units scheduled for the first year. Full production is planned at 200,000 per year — the same volume as for the Pontiac 6000 and Buick Century, which are now built at the plant.

McDonald said the new van will be marketed by Chevrolet and Pontiac. Like the Pontiac Fiero, it will have composite exterior body panels attached to a spa

AMC may produce Jeep at Bramalea

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

American Motors is considering building future Jeep models in its new Bramalea, Ontario, plant or an entirely new plant if negotiations with workers at its Kenosha, Wis., fail, according to a union leader.

Rudy Kuzel, president of UAW Local 72, which represents Kenosha workers, said AMC told the union that the new Jeep ZJ could fill the excess capacity in its $400 million Bramalea facility or could be placed in a completely new plant.

The Jeep ZJ — the next generation of Jeep Cherokee, Wagoneer and Comanche models — is being considered for the Kenosha plant, but AMC said it must have a new lower-cost labor contract there.

AMC officials would not comment on the negotiations or on whether they are considering a new plant for the ZJ.

Meanwhile, AMC narrowly averted a strike at its Toledo, Ohio, Jeep plant by settling long-standing health and safety grievances — and, in the process, may have reopened the door to another alternative for future Jeep production.

UAW Local 12 Committee Chairman Dan Twiss said the Feb. 3 settlement ending three days of negotiations could lead to further talks between AMC and Jeep workers on a new contract to bring a new Jeep model into the Ohio plant.

The Toledo Jeep plant builds all of AMC's Jeep models except one and is currently being considered to produce a new Jeep pickup. But first, AMC wants a new, lower-cost labor contract for the plant.

One major obstacle to placing future production in the Toledo plant is a so-called "wheel tax" formula, which requires AMC to repay earlier concessions by workers on the basis of how many units are built, rather than as profit-sharing.

AMC agreed to eliminate several health and safety problems in the Toledo plant. AMC also agreed not to outsource work to non-union members for six months in such fields as truck-fleet and body shop subassembly for six months.

Kuzel said AMC revealed its alternatives for Jeep production during contract discussions with Kenosha union leaders. The automaker wants to nail down a lower-cost labor agreement as part of a larger renovation project that would bring new products into the plant. Without the renovation, AMC said it will close the assembly plant in 1989.

Last December, AMC President Joseph Cappy said he company had an "alternative site for Jeep production," although he did not specify where.

According to Kuzel, AMC representatives said that the ZJ could be built at Bramalea alongside the new Renault Premier, an intermediate car scheduled to debut in late 1987. The plant now has capacity to build 200,000 vehicles a year, however an AMC planning document shows that Premier production will hit a maximum of 162,000 annually during the next seven years.

AMC also faces financial penalties if Bramalea's total output falls below 158,000 vehicles a year. So far, AMC plans to exceed that volume only once in the next seven years with 162,000 Premiers in the 1989 calendar year.

Kuzel said company officials hinted that the company also was considering proposals from several states for a new assembly plant. At last count, AMC was looking at proposals from five states.

Company officials also mentioned that the province of Quebec was willing to work with AMC on locating a new assembly plant in that area, Kuzel said. However, a top Quebec economic development official said the province is not currently negotiating with AMC on a new plant.

A new plant could be the death knell for both Kenosha and Toledo, where heated labor talks have been going on for months.

In January, AMC offered to renovate the Kenosha plant to produce a new line of Jeeps and Chrysler Motors subcompacts if the union would negotiate a new contract.

AMC said it would need $195 million in loan guarantees from the state of Wisconsin and a production contract for Chrysler's Omni and Horizon cars.

But negotiations in Wisconsin between AMC and the union have not proven successful; both sides rejected contract proposals two weeks ago.

Last week, Wisconsin Gov. Tommy Thompson gave AMC a preliminary report on what the state was willing to provide AMC in aid for the Kenosha project. The state report must be voted on by AMC's board of directors and the Wisconsin legislature.

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Porsche, Isuzu search for extra brands to sell in U.S.

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LAS VEGAS, Nev. — American Isuzu Motors is leaning toward a $30,000-$35,000 luxury European car to sell as Isuzu's U.S. flagship by 1988 instead of finding a low-wage country to supply entry-level vehicles.

Meanwhile, Porsche Cars North America has narrowed its search for a foreign manufacturer that would sell its own brand of vehicles through U.S. Porsche dealers to "five or six countries," President John Cook said.

American Isuzu is currently talking to manufacturers in five countries — one in eastern Europe, three in western Europe and one in Asia — about both low- and high-end vehicles, said Senior Vice President Jack Reilly.

"The products run the gamut from entry-level to mid-$30,000 luxury stuff and are available in either 1988 or 1989," he said during the National Automobile Dealers Association convention.

Reilly is leaning toward either a luxury sedan or luxury performance car because he expects an entry-level glut. He is trying to swing dealers to his perspective, although he said they were "enthusiastic" about importing a non-Japanese model to bolster shipments from parent Isuzu Motors Corp. and future U.S.-assembled trucks from the Isuzu-Subaru joint-venture plant in Indiana.

About 40 percent, most big dealers, favor the high-end approach while most smaller Isuzu dealers, typically duals with larger-volume, upscale domestic or import line, want a traffic-building, inexpensive car, he said.

An upscale model is "one you can make a styling distinction on, and there is less fear of intense competition and bigger margins," he added. Even Isuzu's small dealer network could sell 5,000 to 7,000 units annually, and an image car could improve Isuzu's low public awareness, he said. Currently, only 2.7 percent of all new-car buyers consider Isuzu and only 3 percent remember Isuzu without prompting, despite a national advertising budget of $42 million, internal research shows.

Both Porsche Cars North America and American Isuzu are searching for foreign manufacturers of vehicles not currently sold here. Both are offering help in U.S. federal certification and engineering from the parent companies, Japan's Isuzu Motors and West Germany's Porsche AG.

Isuzu wants to put its own label on its imports. Porsche is looking for 20,000 to 70,000 units annually that would be sold under the other company's label by some or all of Porsche's 322 U.S. dealers.

The pool that both companies are fishing has grown steadily smaller as more overseas manufacturers affiliate with U.S. automakers or set up their own dealer networks.

RECREATION ON WHEELS

Recreational Vehicle Wholesale Deliveries

	November 1986	November 1985	% change	11 months 1986	11 months 1985	% change
Travel trailers	5,000	4,500	+ 11.1	80,700	78,800	+ 2.4
Folding camping trailers	3,000	2,200	+ 36.4	33,100	33,500	- 1.2
Truck campers	500	400	+ 25.0	6,900	6,600	+ 4.5
Towable RV total	8,500	7,100	+ 19.7	120,700	118,900	+ 1.5
Conventional (type A)	2,700	2,400	+ 12.5	30,700	31,800	- 3.5
Van Campers (type B)	500	400	+ 25.0	5,500	6,200	-11.3
Chopped vans (all)	1,900	1,800	+ 5.6	26,200	27,300	- 4.0
Motor home total	5,100	4,600	+ 10.9	62,400	65,300	- 4.4
Van conversions	11,200	11,800	- 5.1	169,800	151,900	+11.8
TOTAL ALL RVs	24,800	23,500	+ 5.5	352,900	336,100	+ 5.0

Source: Recreational Vehicle Industry Association.

RV shipments climb 5% for November, 11 months

Wholesale shipments of recreational vehicles continued to rebound in November.

The Recreational Vehicle Industry Association reported 24,800 shipments, up 5.5 percent from 23,500 deliveries in November 1985.

For the first 11 months of 1986, the industry shipped 352,900 RVs, up 5.0 percent from 336,100 shipped during the same period in 1985.

While the van conversion segment was well ahead of its 1985 year-to-date performance, it was the only category to report lower November shipments than a year earlier.

In November 1986, van converters shipped 11,200 units, 5.1 percent fewer than a year earlier.

For the January-November period, they shipped 169,800 units, 11.8 percent more than for the same period in 1985.

Deliveries of towable RVs and motor homes have been on a strong rebound, after being down earlier in the year.

Manufacturers shipped 8,500 towables in November, 19.7 percent more than in November 1985. During the first 11 months of the year, they shipped 120,700 towables, a 1.5 percent increase over the same period in 1985.

Similarly, motor home shipments of 5,100 in November were up 10.9 percent from a year earlier. For the first 11 months, shipments totaled 62,400 and were off 4.4 percent from the same period in 1985.

The Index of Consumer Sentiment fell slightly to 91.4 in November but still remains quite high, the RVIA reported.

The Index was compiled by the University of Michigan's Survey Research Center. It polled consumers' feelings about the outlook for the U.S. economy in 1987.

Magnum creates a Ford 'Suburban'
Magnum Motor Coach, Sturgis, Mich., created this "Suburban-type" vehicle from Ford's one-ton, F-350 heavy-duty Crew Cab chassis to compete against popular Chevrolet/GMC Suburbans. It can tow 12,500 pounds and seat five to eight people. Ford doesn't offer anything comparable.

Winnebago plans low-priced RV

Chevy chassis, single wheels and a price under $20,000

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ATLANTA — Winnebago Industries, of Forest City, Iowa, is developing a new lower-priced Class C motor home and is pushing sales of its small motor homes in an effort to reach first-time buyers.

It also has begun discussions with a number of regional van customizers as part of an effort to expand its customizing operations into other areas of the country, according to a company official.

Bryan A. Hays, vice president sales/marketing for Winnebago Industries, said that the motor home market has been maturing.

The industry is still selling the same number of vehicles every year but in a different mix.

Ten years ago, it was an infant industry. Everyone was a first-time buyer. They all bought new RVs, Hays pointed out.

Now, it's a mature industry, selling 1.2 used vehicles for every new one.

Ten years ago entry-level buyers were purchasing small motor homes because of price. Today, they're buying used vehicles, Hays said.

"Price has taken a lot of new-vehicle buyers out of the market," he added. "If there's any growth in the market (in 1987), it will be in lower-priced new vehicles and used RVs."

For the entry-level buyer, Winnebago is developing a new Class C model with single wheels, built on a Chevrolet chassis. The company hopes to retail it for less than $20,000.

It will be positioned as Winnebago's entry-level model against van campers typically costing $18,000 to $20,000.

The average price of a motor home is about $40,000, Hays said, calling it "a lot of money, particularly for a discretionary item." Typically, buyers are 55 and older.

Winnebago also is trying to capture a younger buyers with its small Lasharo and Phaser models.

Hays said the company's biggest fixed cost is the chassis, which is a price it can't control. But the escalating competition among Ford, John Deere and Chevrolet has reduced chassis prices and has been a benefit to the industry, he added.

The new chassis from Asia Smith, however, doesn't have enough gross vehicle weight strength to satisfy Winnebago's needs, Hays said.

He said insufficient GVW is a problem inherent in all of today's chassis.

"People want more bells and whistles (equipment) on their vehicles. That adds to the vehicle's weight and reduces its payload capacity," Hays pointed out.

In that respect, Deere's chassis, which has almost 1,000 pounds more GVW than those of major competitors, is well positioned in the market, Hays added.

Winnebago is also still interested in expanding its van conversion operation.

Its goal is to increase its current volume of 600 to 700 units a year to 1,200 to 1,400 units by early 1988.

First-time buyers happy, RVIA poll finds

RESTON, Va. — The average first-time recreational vehicle buyer is married, 49 years old, owns his own home and has a household income of just under $40,000.

Those are findings of a study conducted by Burston-Marsteller for the Recreational Vehicle Industry Association.

First-time buyers purchased vehicles to camp and travel, and they are typically happy with what they've bought, the study found.

The research findings are in a report entitled "Understanding First-Time Recreation Vehicle Buyers," written by David Michaelson, associate director of research for Burston-Marsteller.

The first-time buyer is more likely to own his or her own home, be married and have a smaller family than general members of the U.S. population, according to the study. He or she is also older, has a higher income and better education than most Americans.

The survey said the average age of first-time motor home owners is 53.7 years, while buyers of folding camping trailers are typically the youngest first-time RV buyers, with an average age of 41.5 years.

Owners of new motor homes have the highest average annual income of the first-time RV buyers: $45,300. Travel-trailer owners have the lowest incomes, averaging $36,000.

Overall, 58 percent of first-time owners purchased a used product, particularly the older, retired buyers.

Owners of new RVs who started with a used unit generally do not upgrade the class of RV when they later buy a new model. The overwhelming majority purchase the same type of unit again.

Some 99 percent of first-time buyers of RVs are enthusiastic about the lifestyle.

An analysis of their purchase decisions shows that 33 percent typically go to a dealer to get information about recreational vehicles; 25 percent go to a friend or neighbor. Only 12 percent go to shows to learn about RV products, and just 11 percent rent prior to buying.

The final purchase decision is influenced by two key factors: floor plans, which are particularly important to motor home and travel trailer buyers; and built-in features, which are particularly important to travel trailer and folding camping trailer buyers.

Generally, floor plans were most important to 25 percent of respondents; built-in features to 23 percent of respondents; construction to 10 percent of respondents; overall size to 9 percent of respondents and cost of purchase to only 6 percent of respondents.

Regardless of vehicle type, the decision to buy is typically made by both husband and wife.

In giving their reasons for making the purchase, 36 percent of the buyers said camping; 27 percent said travel. Less frequently mentioned were enjoyment of the outdoors, economy, convenience, benefit to children and retirement.

Some 95 percent of first-time buyers said they were "very" or "somewhat" satisfied with their purchase.

Typically, those who said they were disappointed cited structural or mechanical defects in the vehicle, rather than disenchantment with the lifestyle.

Overall, 40 percent of first-time buyers experienced some problems with buying or operating their RV.

Some 65 percent of buyers said convenience was the most significant benefit of owning an RV. In most cases, that means being able to go where they want and when they want with all the comforts of home.

Van converter, dealer taking warranty dispute to court

RV TRENDS

JOSEPH BOHN

It's always unfortunate when a recreational vehicle company gets into a dispute with one of its dealers because often everyone, including the customer, loses out.

Don Mallon Chevrolet, of Norwich, Conn., and Jet Force Van Conversions, of Nappanee, Ind., are going into litigation over a warranty dispute.

Donald R. Mallon, dealership president, notified 36 of his Jet Force customers that he had stopped performing "further warranty work on (or replacement of) any conversion materials or components which may be required and should be covered under" Jet Force's warranty."

Mallon informed customers that over a several-month period his dealership had "done considerable warranty work, replaced TVs, radios and other costly Jet Force components" without reimbursement from Jet Force and would no longer be doing such warranty work.

Arthur Bishop, president of Jet Force, said that some of Mallon's claims were for vehicles that were out of warranty, were for things not covered or were simply exaggerated in their reimbursement fees.

Jet Force has 213 dealers, customized about 1,400 vans last year and adheres to the Recreational Vehicle Industry Association's standards for van conversions.

Bishop said he was mainly concerned about customers who had bought his vans from Mallon.

He said that Mallon had not given him their names. And unless they had filled out and sent in warranty cards to him, he had no way of knowing who they were.

Bishop said that any customer who contacted him or any customer that he could track down would have his warranty work taken care of by another of the customizer's nearby dealers, Cardinal Buick in Manchester, Conn.

Bishop said he felt that any differences between him and Mallon should have been settled privately and should not have involved the customers.

He said he felt that by airing them publicly, Mallon had hurt himself as much as Jet Air because customers wouldn't be very likely to buy another vehicle from Mallon.

Both parties claimed they tried to discuss the matter.

Mallon claimed that Jet Force ignored his phone calls and letters. Bishop claimed that Mallon simply "screamed and yelled on the phone and became so irate that he hung up on me."

Regardless of who turns out to be right or wrong, the dispute will hurt both parties and, in a general way, the larger industry of which they are a part.

Customers typically don't care whose fault it is. All they really care about is the inconvenience an incident like this causes them or the money its costs them. They end up with a discolored view of dealers, customizers and customized vans generally.

AUCTION DATES

American Motors

Feb. 11 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Feb. 12 — Corry Auto Auction, Corry, Pa., and Evansville Auto Auction, Evansville, Ind.

Feb. 13 — Floyd Hauhe Auto Auction, Bridgeton, Mo.

Feb. 17 — D-A Auto Auction, New Stanton, Pa., and Aptco Auto Auction, Taylor, Mich.

Feb. 18 — Minneapolis Auto Auction, Plymouth, Minn., and Kansas City Auto Auction, Kansas City, Mo.

Feb. 19 — Evansville Auto Auction, Evansville, Ind., and Todd Auto Auction, Telford, Pa.

Feb. 24 — Statesville Auto Auction, Statesville, N.C.

Feb. 25 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Chrysler Corp.

Feb. 10 — Dallas Auto Auction, (special sale), Grand Prairie, Texas; Aptco Auto Auction, Taylor, Mich.; and NuCarPrep System, Santa Fe Springs, Calif.; and Florida Auto Auction of Orlando, Ocoee, Fla.

Feb. 11 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Boaz, Ala.; and South Seattle Auto Auction, Kent, Wash.

Feb. 12 — Fredericksburg Auto Auction, Fredricksburg, Va.

Feb. 13 — St. Louis Auto Auction, Bridgeton, Mo.

Ford Motor Co.

Feb. 11 — Concord Auto Auction, Acton, Mass.; Salt Lake Auto Auction, Salt Lake City; Brasher's Southern California Auto Auction, Fontana, Calif.; Columbus Fair Auto Auction, Obetz, Ohio; and Atlanta Auto Auction, Red Oak, Ga.

Feb. 12 — Arena Auto Auction, Chicago; Dallas Auto Auction, Dallas; and Southwest Auto Auction, Phoenix, Ariz.

Feb. 17 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 18 — Lakeland Auto Auction, Lakeland, Fla.

Feb. 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Feb. 24 — South Seattle Auto Auction, Kent, Wash.

Feb. 25 — Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; and Brasher's Southern California Auto Auction, Fontana, Calif.

Feb. 26 — Baltimore-Washington Auto Exchange, Baltimore; Houston Predelivery Center, Houston; Floyd Hauhe Auto Auction, Bridgeton, Mo.; and Albuquerque Auto Auction, Albuquerque, New Mexico

General Motors

Feb. 10 — Denver Auto Auction, Englewood, Colo.

Manheim promotes

ATLANTA — Darryll M. Ceccoli has been promoted to executive vice president of Manheim Auctions. He had served as vice president — operations since 1982. Manheim, a division of Cox Enterprises Inc., operates 17 auto auctions.

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$12,675	$13,158	$ 00
1986	$11,022	$11,481	$11,149
1985	$7,079	$7,054	$8,144
1984	$6,120	$5,811	$6,142
1983	$4,909	$4,995	$5,386
1982	$3,686	$3,599	$4,141
1981	$2,527	$2,614	$3,177
1980	$2,012	$1,997	$2,349
Overall Average	$5,587	$5,129	$5,181

Feb. 11 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Brasher's Auto Auction, Fontana, Calif.; and Northstar Auto Auction, Shakopee, Minn.

Feb. 12 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Florida Auto Auction of Orlando, Fla.

Feb. 17 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

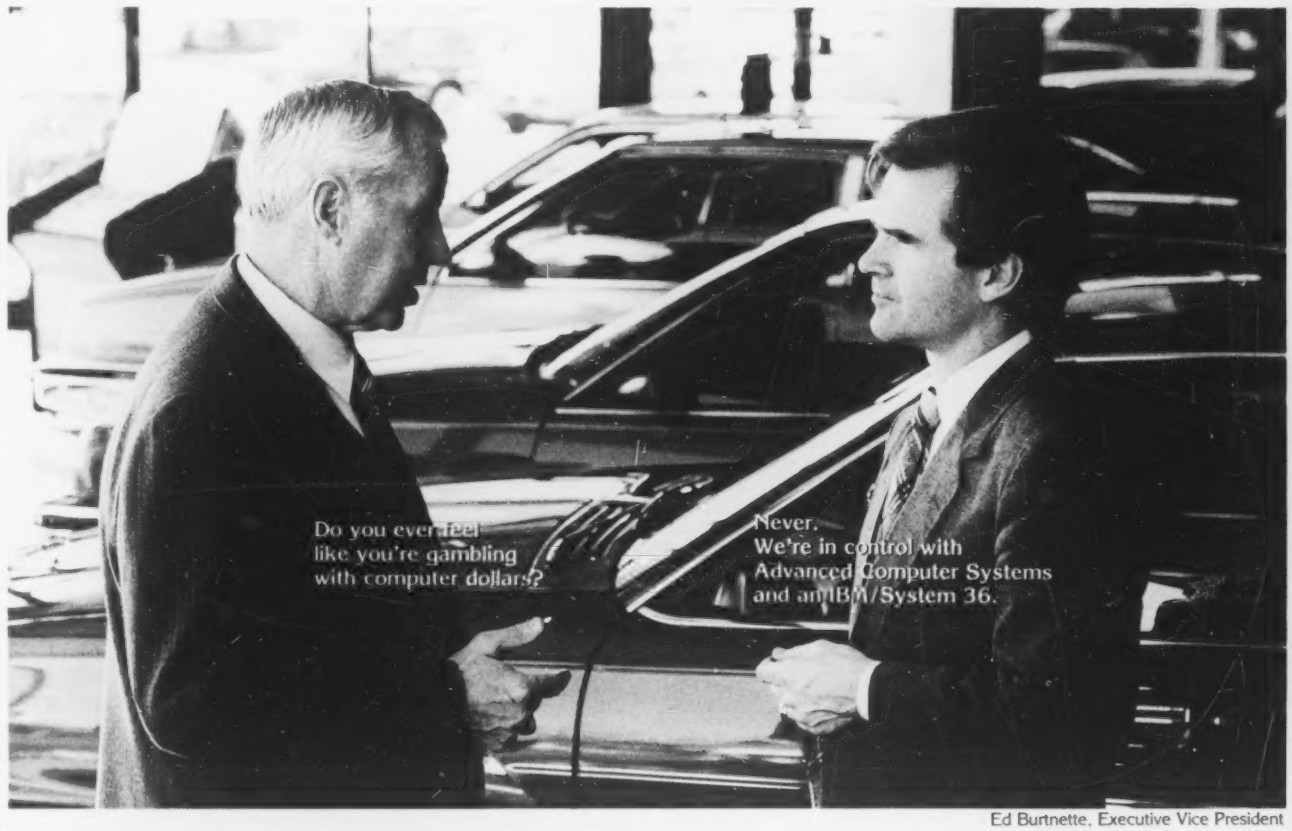
Feb. 18 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Used Car Sales
Auction Averages

February to date 1987	$5,587
Month ago	$5,129
Year ago	$4,729

Limited-edition GNX by ASC and McLaren

The GNX, based on the 1987 Buick Grand National, will be available this summer. The car will feature modification of the turbocharged, intercooled 3.8-liter V-6 engine used in the Grand National, as well as special wheels and tires, suspension and exhaust system modifications, analog instrument cluster and functional body modifications. A total of 500 GNX models will be offered by the Limited-Edition Vehicles Group of Automobile Specialty Co., Southfield, Mich., in cooperation with McLaren Engines, Livonia, Mich.



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SALES

DOMESTIC CAR SALES

	Jan. 21, to Jan. 31, 1987	Same Period, 1986	Jan. 1987	Same Month, 1986	Jan. 1 to Jan. 31, 1987	Same Period, 1986
Alliance	0	0	2,063	4,257	2,063	4,257
Encore	0	0	0	1,210	0	1,210
Total Renault	0	0	2,063	5,467	2,063	5,467
Eagle	0	0	358	922	358	922
Total AMC	0	0	358	922	358	922
AMERICAN MOTORS	801	3,289	2,421	6,389	2,421	6,389
Horizon	2,680	2,718	6,082	6,108	6,082	6,108
Sundance	1,970	0	4,294	0	4,294	0
Turismo	574	1,501	1,205	3,318	1,205	3,318
Reliant	2,434	4,890	5,915	14,351	5,915	14,351
Caravelle	763	1,007	1,702	2,391	1,702	2,391
Plymouth	212	481	432	911	432	911
Total Plymouth	8,633	10,597	19,630	27,079	19,630	27,079
Laser	242	734	528	2,204	528	2,204
LeBaron K	1,435	3,456	2,807	7,394	2,807	7,394
LeBaron J	767	0	1,531	0	1,531	0
LeBaron GTS	922	2,061	2,026	4,536	2,026	4,536
Fifth Avenue	1,148	2,375	2,876	5,155	2,876	5,155
New Yorker	1,022	1,670	2,038	3,958	2,038	3,958
Total Chrysler	5,536	10,296	11,806	23,247	11,806	23,247
Omni	2,452	2,370	5,074	5,242	5,074	5,242
Shadow	1,875	0	4,101	0	4,101	0
Charger	662	1,534	1,364	3,549	1,364	3,549
Daytona	447	906	888	2,701	888	2,701
Aries	2,327	3,420	5,788	8,208	5,788	8,208
Lancer	848	1,372	2,000	2,933	2,000	2,933
Diplomat	352	776	855	1,689	855	1,689
Dodge 600	830	1,618	1,947	3,547	1,947	3,547
Total Dodge	9,793	11,996	22,017	27,869	22,017	27,869
CHRYSLER CORP.	23,962	32,889	53,453	78,195	53,453	78,195
EXP	0	0	0	0	0	0
Escort	7,572	11,189	15,977	30,145	15,977	30,145
Mustang	4,723	4,659	9,766	11,389	9,766	11,389
Tempo	6,727	9,513	14,126	24,559	14,126	24,559
Taurus	10,178	3,588	22,758	8,203	22,758	8,203
Thunderbird	2,869	5,112	6,971	13,165	6,971	13,165
LTD	0	2,087	0	5,166	0	5,166
Crown Victoria	2,584	3,636	6,255	8,976	6,255	8,976
Total Ford Division	34,653	39,784	75,853	101,603	75,853	101,603
Lynx	1,303	2,364	2,602	6,104	2,602	6,104
Topaz	1,845	2,171	3,874	5,615	3,874	5,615
Sable	2,429	1,417	5,262	3,454	5,262	3,454
Cougar	2,385	4,132	5,017	10,297	5,017	10,297
Capri	0	364	0	891	0	891
Marquis	0	942	0	2,302	0	2,302
Grand Marquis	2,585	3,176	5,926	7,600	5,926	7,600
Total Mercury	10,547	14,566	22,681	36,263	22,681	36,263
Continental	424	638	957	1,457	957	1,457
Lincoln	3,588	4,118	7,153	8,697	7,153	8,697
Mark VII	885	601	1,626	1,360	1,626	1,360
Total Lincoln	4,897	5,357	9,736	11,514	9,736	11,514
Total L-M Division	15,444	19,923	32,417	47,777	32,417	47,777
FORD MOTOR COMPANY	50,097	59,707	108,270	149,380	108,270	149,380
Skyhawk	986	1,748	2,345	4,079	2,345	4,079
Skylark	0	0	0	0	0	0
Somerset Regal	1,996	4,975	4,472	11,487	4,472	11,487
Century	4,468	8,910	10,416	20,873	10,416	20,873
Regal	1,030	3,638	2,888	6,779	2,888	6,779
LeSabre	3,434	1,936	9,330	4,579	9,330	4,579
Electra	2,277	6,196	5,187	10,894	5,187	10,894
Riviera	1,672	597	2,824	1,466	2,824	1,466
Total Buick	15,863	28,000	37,462	60,157	37,462	60,157
Cimarron	347	593	920	1,384	920	1,384
Seville	1,369	551	2,953	1,248	2,953	1,248
Cadillac	4,676	8,176	12,472	18,324	12,472	18,324
Eldorado	615	830	2,512	1,829	2,512	1,829
Total Cadillac	7,007	10,150	18,857	22,785	18,857	22,785
Chevette	1,805	1,847	5,878	5,625	5,878	5,625
Nova	2,083	5,227	5,478	14,038	5,478	14,038
Cavalier	10,459	14,056	22,259	38,772	22,259	38,772
Citation	0	93	0	223	0	223
Camaro	3,098	3,779	7,105	9,882	7,105	9,882
Celebrity	10,462	12,242	21,663	36,474	21,663	36,474
Corsica/Beretta	416	0	706	0	706	0
Monte Carlo	1,344	2,846	4,199	6,891	4,199	6,891
Chevrolet	3,861	6,333	11,479	15,402	11,479	15,402
Corvette	562	741	1,559	1,979	1,559	1,979
Total Chevrolet	34,091	47,164	80,326	129,286	80,326	129,286
Firenza	607	893	1,426	2,677	1,426	2,677
Calais	2,767	2,871	6,492	7,635	6,492	7,635
Cutlass Ciera	7,835	11,070	18,076	31,634	18,076	31,634
Cutlass Supreme	2,725	8,026	6,769	22,666	6,769	22,666
Olds 88	4,479	4,467	10,838	11,582	10,838	11,582
Olds 98	1,743	5,635	4,692	12,768	4,692	12,768
Toronado	337	475	1,210	1,223	1,210	1,223
Total Oldsmobile	20,493	33,437	49,503	90,185	49,503	90,185
Fiero	1,335	2,592	2,803	6,123	2,803	6,123
1000	410	1,288	910	2,049	910	2,049
Sunbird	3,129	4,917	5,819	11,448	5,819	11,448
Firebird	1,576	3,546	3,788	7,335	3,788	7,335
Grand Am	7,853	7,499	15,840	15,544	15,840	15,544
6000	4,571	7,731	9,996	16,882	9,996	16,882
Bonnneville./Gr. Prix	568	1,879	1,326	4,687	1,326	4,687
Grand Prix	0	1,976	0	4,708	0	4,708
Parisienne/Bonn.	2,753	2,145	5,877	5,164	5,877	5,164
Total Pontiac	22,195	33,573	46,359	73,940	46,359	73,940
GENERAL MOTORS	99,649	152,324	232,507	376,353	232,507	376,353
VOLKSWAGEN	1,495	3,491	2,819	6,321	2,819	6,321
HONDA	13,764	7,253	19,898	13,263	19,898	13,263
NISSAN	3,455	2,749	6,569	6,003	6,569	6,003
TOYOTA	946	0	1,741	0	1,741	0
DOMESTIC TOTAL	194,169	261,702	427,678	635,904	427,678	635,904
IMPORT TOTAL			197,941	237,288	197,941	237,288
INDUSTRY TOTAL			625,619	873,192	625,619	873,192

January U.S. car sales tumble

Stormy East Coast weather, December sales boom blamed

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

"I couldn't believe it, but they were here whenever we were opened."

That was one car salesman's reaction to fortitude demonstrated by customers during late January snowstorms on the East Coast.

However, such doggedness as that reported by Sales Manager Kevin Askew, of Brown's Nissan in Fairfax, Va., did not keep domestic new-car sales from going through the bottom last month. They fell 32.74 percent below the year-earlier total.

It was the worst year-to-year drop since May 1980, when sales plunged 37.46 percent below the total for May 1979.

Sales last month of cars built in the United States totaled 427,678, dramatically below the record 694,602 delivered in January 1965, and substantially under the 635,904 cars sold in January, 1986.

Import-car sales also suffered in January, falling 16.58 percent to 197,941 units from 237,288 the year before.

Where the market was, Jan. 1987

	Total Sales	Pct. of Total
SUBCOMPACT	88,533	14.15%
COMPACT	88,037	14.07%
INTERMEDIATE	154,095	24.63%
STANDARD	50,992	8.15%
LUXURY	46,021	7.36%
IMPORT	197,941	31.64%
TOTAL	625,619	100.00%

Combined sales of domestic and imported cars totaled 625,619 units, down 25.27 percent from the 837,192 sold in January 1986.

Snow, ice and stuck traffic in a series of January storms slowed or interrupted business for Eastern dealers from the pines to the palms.

Brown's Nissan and other points in the Mid-Atlantic states, for example, were shut completely for some four days or more as the vicious weather closed in and stayed.

The National Weather Service said no part of the country was colder than normal last month, but it called the weather on the East Coast and in the Southeast "extremely stormy."

There were other factors figuring in the sales story. For example, Claude N. Moore, vice president in charge of the General Motors Customer Sales and Service Staff, said:

"While sales in January reflected the aftermath of the sales tax prebuying in December, we are optimistic about sales prospects for February and March.

"The variety of attractive customer incentives now offered by GM divisions, coupled with the longer-term affirmation of our product quality demonstrated by GM's greatly improved, 6-year/60,000-mile passenger-car warranty, underscore our expectations for improved sales."

Chrysler Motors' Tom Pappert, group vice president — sales, pointed to incentives already in the market. "We announced incentives Jan. 27 and there was an immediate response in weekend sales," he said. "We're looking forward to a stronger February."

Louis E. Lataif, vice president, sales operations at Ford North American Automotive operations, pointed to 1986 incentives in discussing a decline this year.

"Last year, we offered significant incentives during the full month of January," he said. "This year, tax laws pulled many January sales into December and our new incentives were in effect on the last few days of the month. Considering those circumstances, we did not expect sales to match those of last year," Lataif said.

The Ford officer called the year-to-year sales decline unavoidable but was able to point to some good news that developed over the course of the month.

"We saw a steady increase in sales through January. In the first 10 days of the month, we were selling 3,042 domestic cars a day and in the final 10-day period, sales came in at 5,010 a day. We expected some increase during the month, but that 65-percent increase was unusual," Lataif said.

In spite of that improvement noted by the Ford executive,sales of U.S.-built cars plunged in the final 10-day selling period of January. They were 25.80 percent below year-earlier levels, according to Automotive News analysis of manufacturers' reports.

Only Honda and Nissan reported year-to-year gains.

Honda sales were up 89.76 percent, largely reflecting improved availability of product. The company in July started up a second assembly line at its plant in Marysville, O. The added facilities are utilized in the assembly of the little Honda Civic.Nissan had a gain of 25.59 percent in the 10 days.

American Motors dealers sold 75.64 percent fewer cars in January than they did a year before. Volkswagen had a 57.17 percent dip in sales and General Motors had a fall of 34.58 percent. Chrysler reporteda decline of 27.14 percent.Ford Motor Co. had a decrease of 16.09 percent in the closing 10-day reporting period of January.

Toyota reported sales of 946 units in the 10-day period with no year-earlier figure for comparison purposes.

There were 10 selling days in the final period.

U.S. CAR SALES BY MARKETING UNITS

	Jan., 1987	Jan., 1986	1 Mon., 1987	1 Mon., 1986
Chevrolet	90,254	139,267	90,254	139,267
Ford	75,853	101,603	75,853	97,373
Oldsmobile	49,503	90,185	49,503	90,185
Toyota	32,787	45,285	32,787	45,285
Pontiac	46,359	73,940	46,359	73,940
Buick	37,462	60,157	37,462	60,157
American Honda	46,047	50,281	46,047	50,281
Nissan	42,536	43,340	42,536	43,340
Dodge	26,311	34,034	26,311	34,034
Mercury	23,091	37,338	23,091	37,338
Plymouth	23,455	32,785	23,455	32,785
Chrysler	12,390	23,247	12,390	23,247
VWoA	10,465	21,939	10,465	21,939
Hyundai	18,006	—	18,006	—
Cadillac	18,857	22,785	18,857	22,785
Mazda	11,043	18,993	11,043	18,993
Subaru	8,998	16,740	8,998	16,740
Lincoln	9,736	11,514	9,736	11,514
Volvo	12,619	12,080	12,619	12,080
BMW	5,013	6,044	5,013	6,044
Mercedes	6,124	7,692	6,124	7,692
AMC-Renault	2,421	6,739	2,421	6,739
Saab	3,638	3,164	3,638	3,164
Mitsubishi	2,326	4,090	2,326	4,090
Yugo	4,174	2,834	4,174	2,834
Porsche	1,654	1,733	1,654	1,733
Jaguar	1,057	1,011	1,057	1,011
Isuzu	1,950	2,884	1,950	2,884
Peugeot	919	959	919	959
Alfa Romeo	511	404	511	404
Maserati	60	125	60	125
TOTAL	625,619	873,192	625,619	873,192

Chevrolet includes Sprint and Spectrum. Honda combines imports and domestics and Acura. Dodge includes Colt, Conquest, Vista. Plymouth includes Colt, Conquest, Vista. VWoA includes Audi. Nissan includes Sentras built in the U.S. Mercury includes Merkur.

IMPORTED CAR SALES

	Jan., 1987	Jan., 1986	1 Mon., 1987	1 Mon., 1986
Acura	5,667	—	5,667	—
Alfa Romeo	511	404	511	404
Audi	2,072	5,113	2,072	5,113
BMW	5,013	6,044	5,013	6,044
Chevrolet Spectrum	6,056	4,763	6,056	4,763
Chevrolet Sprint	3,872	5,218	3,872	5,218
Chrysler Conquest	584	—	584	—
Dodge Colt	3,207	4,687	3,207	4,687
Dodge Conquest/Vista	1,087	1,478	1,087	1,478
Honda	20,482	37,018	20,482	37,018
Hyundai	18,006	—	18,006	—
Isuzu	1,950	2,884	1,950	2,884
Jaguar	1,057	1,011	1,057	1,011
Maserati Biturbo	60	125	60	125
Mazda	11,043	18,993	11,043	18,993
Mercedes-Benz	6,124	7,692	6,124	7,692
Merkur	410	1,075	410	1,075
Mitsubishi	2,326	4,090	2,326	4,090
Nissan	35,967	37,337	35,967	37,337
Peugeot	919	959	919	959
Plymouth Colt	2,812	4,282	2,812	4,282
Plymouth Conquest/Vista	1,013	1,424	1,013	1,424
Porsche	1,654	1,733	1,654	1,733
Renault	0	350	0	350
Saab	3,638	3,164	3,638	3,164
Subaru	8,998	16,740	8,998	16,740
Toyota	31,046	45,285	31,046	45,285
Volkswagen	5,574	10,505	5,574	10,505
Volvo	12,619	12,080	12,619	12,080
Yugo	4,174	2,834	4,174	2,834
TOTAL	197,941	237,288	197,941	237,288

PRODUCTION

U.S. CAR	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
AMERICAN MOTORS	800	0	754	3,091	2,823	3,891
Renault Total	800	0	754	3,091	2,823	3,891
Alliance	800	0	754	3,091	2,378	3,891
Encore	0	0	0	0	445	0
CHRYSLER MOTORS	23,500	29,513	27,704	106,435	166,153	125,095
Plymouth Total	9,600	7,999	10,555	40,464	47,478	48,317
Horizon	3,200	3,083	4,029	15,747	17,094	18,258
Sundance	2,100	0	2,499	9,105	0	10,824
Reliant	3,000	3,474	2,678	10,793	21,905	13,304
Caravelle	1,300	1,186	1,349	4,819	7,072	5,931
Gran Fury	0	256	0	0	1,407	0
Chrysler Total	5,100	10,832	5,844	22,752	60,840	26,862
Laser	0	1,102	0	0	5,657	0
LeBaron K	1,500	2,678	1,593	6,778	14,990	7,970
LeBaron J	1,500	0	1,571	5,942	0	7,167
LeBaron GTS	600	2,513	717	3,029	12,934	3,474
New Yorker/E-Class	1,500	1,424	1,963	7,003	8,675	8,251
Fifth Avenue	0	3,115	0	0	18,584	0
Dodge Total	8,800	10,682	11,305	43,219	57,835	49,916
Daytona	700	998	782	2,976	5,631	3,551
Omni	2,800	3,112	3,551	13,664	17,045	15,860
Shadow	1,800	0	2,284	8,374	0	9,801
Aries	2,300	2,432	2,575	10,529	13,184	12,208
Dodge 600	800	1,666	1,318	4,906	9,274	5,458
Lancer	400	2,037	795	2,770	10,341	3,038
Diplomat	0	437	0	0	2,360	0
FORD MOTOR	44,235	38,937	43,835	169,248	188,331	213,483
Ford Division	30,358	26,510	29,278	115,056	127,440	145,414
Escort	7,632	8,880	7,485	29,558	42,713	37,190
Mustang	5,300	4,204	4,532	18,181	21,830	23,481
Tempo	4,161	4,652	4,113	16,386	23,409	20,547
Taurus	10,535	5,086	10,107	40,218	19,952	50,753
Thunderbird	2,730	3,686	3,041	10,713	19,536	13,443
L-M Division	13,877	12,427	14,557	54,192	60,891	68,069
Mercury Total	10,180	8,149	10,487	38,476	40,703	48,656
Lynx	1,501	1,374	1,255	4,962	7,874	6,463
Capri	0	386	0	0	2,344	0
Topaz	1,317	1,506	1,389	5,402	7,813	6,719
Cougar	4,065	2,422	4,588	16,027	12,847	20,092
Sable	3,297	2,461	3,255	12,085	9,825	15,382
Lincoln Total	3,697	4,278	4,070	15,716	20,188	19,413
Continental	364	478	406	1,577	2,376	1,941
Lincoln	2,774	3,209	3,052	11,786	15,150	14,560
Mark VII	559	591	612	2,353	2,662	2,912
GENERAL MOTORS	90,651	95,451	85,350	298,160	524,615	389,162
Buick Total	15,236	13,304	14,254	55,425	86,409	70,662
Skyhawk	2,227	1,699	0	4,093	9,951	6,321
Century	4,480	4,431	4,372	16,597	29,849	21,077
Regal	1,142	0	1,830	3,673	4,099	4,815
Somerset/Skylark	1,775	1,829	2,267	8,897	11,251	10,672
LeSabre (fwd)	2,259	1,681	1,820	8,556	8,890	10,815
LeSabre/Electra (rwd)	485	228	429	812	1,270	3,070
Electra (fwd)	2,534	3,046	2,729	9,611	18,876	10,372
Riviera	334	390	807	3,186	2,223	3,520
Cadillac Total	6,913	6,937	7,894	28,976	33,680	35,889
Cimarron	420	539	533	2,163	2,265	2,583
Allante	50	0	50	167	0	217
Brougham (rwd)	1,820	1,960	1,753	6,537	6,984	8,357
DeVille (fwd)	4,000	3,738	3,978	13,933	20,408	17,933
Eldorado	229	406	377	1,788	2,360	2,017
Seville	394	294	1,203	4,388	1,663	4,782
Chevrolet Total	32,623	33,135	31,132	100,706	184,156	133,680
Chevette	0	2,589	0	0	14,272	0
Camaro	2,365	5,000	3,037	6,122	26,858	8,987
Cavalier	7,000	9,399	7,052	27,201	51,311	34,552
Celebrity	8,260	7,203	8,496	32,532	33,410	40,792
Corsica/Beretta	6,977	0	4,732	15,530	0	22,507
Monte Carlo	1,608	2,517	1,910	3,707	14,401	5,315
Chevrolet	5,273	6,103	5,256	13,029	43,116	18,302
Corvette	640	324	649	2,585	788	3,225
Oldsmobile Total	18,039	22,736	15,225	56,944	127,735	74,981
Firenza	1,200	1,117	0	2,337	5,461	3,535
Calais	3,025	3,387	2,631	10,297	17,102	13,322
Cutlass Ciera	4,840	7,266	4,265	15,956	37,409	20,796
Cutlass Supreme	1,270	2,173	355	709	22,304	1,979
88 (fwd)	4,988	5,160	5,183	17,053	23,926	22,041
88 (rwd)	405	440	359	1,702	3,383	2,107
Olds 98	2,078	2,902	1,826	6,564	16,552	8,642
Toronado	233	291	606	2,326	1,598	2,559
Pontiac Total	17,840	19,339	16,845	56,109	92,635	73,950
Acadian*	0	430	0	0	970	0
Fiero	1,200	2,403	830	1,496	7,123	2,696
1000	0	686	0	0	3,416	0
Firebird	2,585	2,683	2,353	4,678	14,268	7,263
2000 Sunbird	2,680	3,035	2,812	8,488	15,494	11,168
Grand Am	6,240	4,368	5,595	21,005	23,611	27,245
6000	1,560	3,971	1,786	6,931	16,252	8,491
Bonneville	3,150	0	3,159	12,860	0	16,011
Safari/Parisienne	425	1,763	310	651	11,501	1,076
HONDA	7,315	3,794	7,360	28,351	20,044	35,666
Civic	3,086	0	2,981	11,437	0	15,880
Accord	4,229	3,794	4,379	16,914	20,044	19,786
NISSAN	2,920	1,796	2,922	11,722	10,680	14,642
NUMMI	4,000	2,970	4,039	16,288	12,040	20,288
Corolla	750	0	809	3,394	0	4,144
Nova	3,250	2,970	3,230	12,894	12,040	16,144
VOLKSWAGEN	2,000	1,468	1,947	5,928	8,599	7,928
Golf/GTI	1,750	1,468	1,697	5,178	8,599	6,928
Jetta	250	0	250	750	0	1,000
Total Cars, U.S.	175,421	173,929	173,911	639,223	933,285	810,155
Total Cars, Canada	21,450	20,014	20,941	74,603	108,664	96,053
N. American Cars	196,871	193,943	194,852	713,826	1,041,949	906,208
N. American Trucks	95,652	90,895	92,764	374,013	485,043	464,768
North American Cars and Trucks	292,523	284,838	287,616	1,087,839	1,526,992	1,370,976

*—All Acadians are built for sale in Canada.
Monthly estimates may contain error of one or two units due to rounding.

Auto production highest of year

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Domestic auto production during January totaled 639,223, up 9.07 percent over December's 586,025 but down 15.68 percent from the year-ago month's 758,107.

Last week's scheduled auto output was the highest week so far this year.

Automakers' targeted production of 175,421 was slightly higher (0.87 percent) than the previous week's 173,911 and 0.86 percent more than the year-ago week's 173,929.

So far this year, 810,155 cars have been assembled, 13.19 percent below the 933,285.

Companies split last week's estimated production as follows: General Motors, 51.67 percent; Ford Motor Co., 25.22 percent; Chrysler Motors, 13.40 percent; Honda of America Manufacturing Inc., 4.17 percent; New United Motor Manufacturing Inc., 2.28 percent; Nissan Motor Manufacturing Co., U.S.A., 1.66 percent; Volkswagen of America, 1.14 percent; and American Motors, 0.46 percent.

Last week (Feb. 2), AMC cut production of its Renault Alliance and GTA models, built at its Kenosha, Wis., plant, from 300 a day to 160 a day.

The cutback is a result of sluggish sales and puts 500 workers on layoff until later this month when production of Chrysler's large rear-wheel-drive cars begin at the Kenosha facility.

GM scheduled Saturday (Feb. 7) overtime at three plants: Lansing, Mich.; Linden, N.J.; and Wilmington, Del.

Ford slated Saturday overtime at its Chicago and Dearborn, Mich., plants.

All Ford plants except Wixom, Mich., are scheduled for daily overtime this week (Feb. 9).

Saturday overtime was slated at Chrysler's Belvidere, Ill.; Newark, Del.; and Sterling Heights, Mich. Those plants are scheduled for daily overtime this week.

Truck output edges ahead of '86; year-to-date count is 384,848

This year's domestic truck production has inched past the total at this time in 1986.

So far this year, 384,848 trucks have been assembled, slightly higher (0.21 percent) than the 384,057 completed last year at this time.

Last week's targeted output of 78,015 was 1.16 percent more than the previous week's 77,117 and 8.38 percent more than the year-ago week's 71,983.

Truck production during January totaled 311,736. It was 32.78 percent more than December's 234,774 but 0.19 percent below the year-ago month's 312,358.

General Motors scheduled Saturday (Feb. 7) overtime at its Baltimore plant.

Ford Motor Co. slated Saturday overtime at its Wayne, Mich., and St. Louis truck plants.

All Ford truck plants are scheduled for daily overtime this week (Feb. 9).

Daily overtime is slated this week for Chrysler Motors' Warren, Mich., plant.

Auto production in Canada dips

Canadian auto production for January totaled 74,603, which was 10 percent below December's 82,894 and 14.45 percent below the 87,204 assembled in January 1986.

Last week, automakers pegged production at 21,450 cars, 2.43 percent more than the previous week's 20,941 and 7.17 percent more than the year-ago week's 20,014.

So far this year, 96,053 cars have been built, 11.61 percent below the 108,664 completed last year at this point.

Truck output of 62,277 units in January was 32.66 percent more than December's 46,943 but was 22.41 percent below last January's 80,269.

Truckmakers' scheduled production of 17,637 units last week was 12.72 percent more than the previous week's 15,647 but 6.74 percent below the year-ago week's 18,912.

For the year to date, 79,920 trucks have been assembled, 20.86 percent below the 100,986 built last year at this time.

CANADIAN CAR	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
AMERICAN MOTORS	150	0	152	605	1,200	755
FORD MOTOR	11,645	10,162	11,256	44,049	61,489	55,694
GENERAL MOTORS	9,280	9,627	9,183	28,647	44,788	37,927
HONDA	150	0	125	379	0	529
VOLVO	225	225	225	923	1,187	1,148
Total Cars, Canada	21,450	20,014	20,941	74,603	108,664	96,053

U.S. TRUCK☆	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
CHEVROLET	22,696	24,906	22,429	93,027	134,846	112,197
DODGE	5,000	0	4,666	18,657	0	22,889
FORD	32,904	30,059	32,116	129,193	157,302	162,097
GMC	7,605	8,054	7,700	29,881	40,155	37,597
NAVISTAR	1,280	1,490	1,595	6,206	7,943	7,486
JEEP	4,450	3,457	4,619	18,556	27,515	22,286
NISSAN	1,730	1,567	1,642	6,816	4,224	8,546
AM GENERAL*	50	50	50	200	272	250
MISCELLANEOUS*	2,300	2,400	2,300	9,200	11,800	11,500
Total Trucks, U.S.	78,015	71,983	77,117	311,736	384,057	384,848

CANADIAN TRUCK	Week Ended Feb. 7, 1987	Week Ended Feb. 8, 1986	Week Ended Jan. 31, 1987	Jan. Total	Jan. 1 to Feb. 8, 1986	Jan. 1 to Feb. 7, 1987
AMERICAN MOTORS	625	0	635	2,468	0	3,093
CHRYSLER	8,964	9,099	8,163	34,617	48,654	43,572
FORD	3,648	3,231	3,370	12,898	19,150	16,576
GENERAL MOTORS	4,200	6,416	3,279	11,494	32,276	15,679
NAVISTAR	200	166	200	800	906	1,000
Total Trucks, Canada	17,637	18,912	15,647	62,277	100,986	79,920
N. American Trucks	95,652	90,895	92,764	374,013	485,043	464,768

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

Fair trade bill drafted in Senate

By Helen Kahn and Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTERS

WASHINGTON — Lloyd Bentsen, D-Texas, and chairman of the Senate Finance Committee, has drafted a bill calling for strict enforcement of current trade laws and incentives to encourage American companies to be competitive.

At a press conference last Thursday to introduce the bill, some 60 senators joined as co-sponsors, more than half of them Republicans.

Bentsen's bill will not include a provision requiring import surcharges on products from countries with large trade surpluses, which would have meant higher prices for cars shipped from Japan and West Germany.

The bill does not pinpoint any country. Neither does it deal with particular industries, other than a special section encouraging agricultural exports.

Bentsen's bill renews presidential authority to negotiate trade agreements, though requiring consultation with Congress.

The bill would require tough responses to subsidies, dumping, and other market-distorting practices. Countries consistently engaged in such actions would receive special attention.

The bill also urges the President to negotiate with countries that peg their currencies to the dollar, such as Korea and Taiwan, to ensure they regularly adjust exchange rates.

Bentsen suggests, instead of protecting import-threatened industries and their workers, to encourage competition. Instead of raising protective tariffs or paying trade adjustment assistance to dislocated workers, industries should have to show an increase in productivity to qualify for import relief. Workers would have to accept retraining before getting cash assistance.

Bentsen spells out details of the worker relief program including length of time and maximum ceiling for retraining. He recommends a trust fund to pay for it, through an across-the-board import duty of not more than 1 percent.

Bentsen said he hoped to have the comprehensive bill to the Senate by July. House leadership promised to get it to the House floor by mid-April, even though it will be referred to seven House committees.

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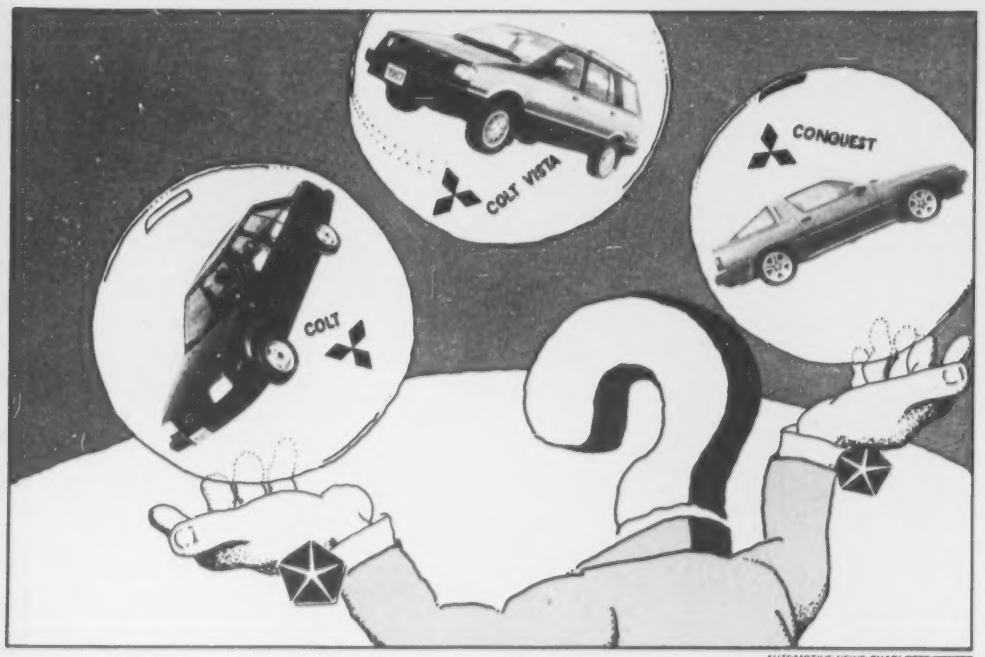

AUTOMOTIVE NEWS/CHARLOTTE WINTER

Selling rate rises to pare big stockpile

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

A steady stream of cars rolled out of U.S. assembly plants in January while retail deliveries remained lackluster. One result was a hefty increase in the number of cars in the pipeline between factory and consumer.

As of Feb. 1, there were 1,734,299 domestic cars in dealer stocks and in transit, a 105-day supply at the January selling rate. The figures were 1,506,557 and 58 days on Jan. 1.

But the situation is not as bad as those numbers indicate. The January selling rate was abnormally low because of the bad weather in the East and a letdown following a December surge of buying to take advantage of the sales-tax deduction.

January domestic-car sales of 427,678 were the lowest for any month since January 1982.

The selling rate improved as January moved along — improved warranties and equipment packages were added — and the improvement continued in the first 10 days of February. That means that the unwieldly stock is being whittled away both in terms of days's supply and the over-all total.

Here are the daily selling rates for the first four periods of 1987:

Jan. 1-10	13,467
Jan. 11-20	15,722
Jan. 21-31	19,417
Feb. 1-10	21,267

In the first 10 days of February, sales of domestic cars dipped from 1986 levels to 170,134 units, down 1.87 percent from 172,372 a year earlier and down even from the 194,169 sold in the last 10 days of January. But there were eight selling days in the February period and 10 in the final span of January. So, although the overall total was down, the daily selling rate increased.

During February's initial sales period, General Motors dealers delivered 90,652 units, off 9.00 percent from 99,621 the year before. Ford Motor Co. dealers sold 46,395 units, up 8.22 percent, from 42,870, and Chrysler Motors' sales were 21,744, off 1.66 percent from 22,113 a year earlier.

Honda sales in the period totaled 7,539, up 118.33 percent, from 3,453 in the first 10 days of February last year. Nissan reported a climb of 39.47 percent to 1,908 units from 1,368.

Volkswagen's unit sales fell 37.75 percent to 714 from 1,147 while American Motors declined 52.77 percent to 850 units from the 1,800 sold a year earlier. Toyota

see INVENTORIES, page 57

Chrysler ponders Mitsubishi role

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Motors' plunge into brand management for its domestic offspring has created a dilemma for its Japanese stepchild — the imports from Mitsubishi.

Chrysler is debating whether its Japanese imports should be folded into the domestic brand organization or remain a distinct operation. Discussions also have included examination of merchandising the Mitsubishi imports as a separate franchise.

In 1986, Chrysler Motors reorganized its marketing and product development groups to enhance individual identities for Chrysler, Plymouth and Dodge. The company links Dodge with performance, Plymouth with value and Chrysler with luxury.

"One debate that is going on is to what extent is it important, desirable or necessary to fold the management of the Mitsubishi products into the brand organization so that the vehicles imported for Plymouth and imported for Dodge are consistent with the rest of the franchise," said Bernard I. Robertson, Dodge general product manager.

"This would include both the development of the product itself, its specifications and its distribution.

"Since we created brand management, the brands such as Dodge may want and need control over everything that's sold through a Dodge store," said Robertson, who is responsible for advance product planning, programs and business management for all Dodge car lines.

He was interviewed during a recent press preview of the 1987 Dodge Daytona in Point Clear, Ala.

"How do you deal with managing a product array and an image-development process where somebody

see CHRYSLER, page 57

COMPUTERS

Megadealer trend fuels need for data systems

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

The prospective car buyer sits before a computer in the auto dealership. With the touch of a finger, he assembles the image of the car of his dreams on the computer screen — the exact model, engine, interior-exterior colors and optional equipment.

Another touch of a finger and he takes a full-motion video highway "test drive" — including simulation of such features as the car's intermittent windshield wipers and rear-window defogger.

That's not the sales tool of tomorrow. It's in some dealerships today.

It's part of a vast wave of computer technologies propelled by changes in the way cars are marketed in the United States. Consider this:

see COMPUTERS, page 38

AUTOMOTIVE NEWS/JOE WILSSENS

Computers as sales tools were hot topic at NADA convention

Domestic dealer total declines to 20,405; drop is 268 for year

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

Again in 1986, the number of the dealerships handling domestic makes of passenger cars took a tumble.

The annual Automotive News census found 20,405 domestic-car outlets on Jan. 1, down 268 from 20,673 doing business a year earlier. The loss was higher than in 1985, when 229 dealerships faded away.

Those declines followed two "up" years for the industry. The dealer total climbed slightly in 1983 and 1984, but those were the only advances during the last 30 years.

Chrysler Motors was the best performer in 1986 as it increased its dealer total for the fourth consecutive year. The company posted a gain of 20 outlets last year. Volkswagen also was on the plus side with a gain of one.

U.S.-CAR OUTLETS

1947	45,580	1968	27,784
1948	46,092	1969	27,486
1949	49,173	1970	27,071
1950	46,821	1971	26,126
1951	47,543	1972	25,621
1952	46,014	1973	25,441
1953	45,191	1974	25,349
1954	41,910	1975	24,980
1955	40,374	1976	24,453
1956	41,018	1977	24,268
1957	37,982	1978	24,147
1958	37,188	1979	24,051
1959	35,077	1980	23,379
1960	33,658	1981	21,772
1961	32,482	1982*	21,680
1962	31,331	1983**	20,799
1963	30,853	1984	20,841
1964	30,827	1985	20,902
1965	30,691	1986	20,673
1966	30,278	1987	20,405

Figures are as of Jan. 1.
*Jan. 1, 1982 and subsequent totals include VW.
**Jan. 1, 1983 and subsequent totals include Renault.
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Elsewhere, there were declines of 150 car dealerships for General Motors, 57 for Ford Motor Co. and

see CENSUS, page 56

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orsche expects nother profit dip Page 2

GM, importers win round in CAFE suit Page 3

GM's Smith outlines plans to save billions Page 4

Sudden acceleration puts NHTSA to 15-year test

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Recent publicity on the Audi 5000 series has thrust "sudden acceleration" into the limelight.

But the problem is not new. NHTSA has been investigating similar cases for almost 15 years. It has opened and closed nearly 50 cases during that time.

What happens when NHTSA believes some random incidents may be related?

When the agency receives any type of complaint, its procedure is to open what it calls a PE, or preliminary evaluation. If it finds reason to, the next step is an engineering evaluation (EA). The next designation is C, or case. It is at this stage that NHTSA issues notifications to the media.

If NHTSA believes it has found a "safety-related defect" — a term that exists in the language of the 1966 vehicle safety law — it calls a public hearing at which the manufacturer, NHTSA and any other interested party may testify.

If the findings reveal such a defect, NHTSA issues a recall order to the manufacturer. If the manufacturer refuses, NHTSA asks the Justice Department to enforce the recall by filing a civil suit in U.S. District Court in the District of Columbia. There is an eight-year statute of limitations for vehicles.

At any point during this procedure, a manufacturer may announce a voluntary recall.

NHTSA looks at four general kinds of "sudden acceleration" as potential safety-related recalls. Examination of the organization's defect docket, which lists the records of closed investigations, reveals that its concerns center on the following:

- Full throttle acceleration happens when shifting out of park or neutral and application of the brakes has no effect. The engine receives too much combustible fuel and there has to be brake failure, not just the loss of the brakes'

see NHTSA, page 61

All Closed Sudden Acceleration Investigations Since 1972

Model and Year	Investigation	Period
Toyota (various)	Throttle linkage	July-Aug. 72
Chevrolet Nova 71	Accelerator sticking	Sept.-Nov. 72
Mercury Monterey 71	Accelerator cable	Nov. 72-Feb. 73
Plymouth Cricket 71-72	Accelerator linkage	Nov. 72-Feb. 73
Toyota Mark II 71	Accelerator linkage	Nov. 72-Feb. 73
Chevrolet Vega 2300 72	Binding, sticking accelerator	Nov. 72-March 73
Ford station wagon 69	Accelerator cable	Feb.-May 73
Honda Civic	Accelerator linkage	April-May 73
Chevrolet pickup 72	Throttle control	May-Oct. 73
Ford school bus 73	Throttle linkage	May-June 73
Mercury (various) 72	Speed control	June-Sept. 73
Ford Pinto	Throttle solenoid	Aug.-Oct. 73
Volvo 71-72	Throttle return spring	Aug.-Oct. 73
AMC Matador 73	Accelerator pedal interference	Aug.-Oct. 73
Ford Torino 69	Engine mount accelerator	Sept. 73
Mack truck 72	Wheels and accelerator	Oct.-Dec. 73
GM (various)	Accelerator linkage	Oct. 73-Oct. 74
Toyota Corolla 71-74	Accelerator linkage	July-Oct. 74
Datsun 240Z	Accelerator linkage	July-Dec. 75
Datsun truck 71	Accelerator cable	Jan.-May 76
Austin Marina 74	Brakes, accelerator cable	Dec. 76-Nov. 78
Triumph 74-76	Ignition & accelerator cable	May-July 77
Volvo 74-75	Accelerator sticks	May 77-May 78
Ford truck C600-C700 77	Throttle plate hangs up	June-Dec. 77
Austin Marina 74-75	Engine surge, electric	July 77-July 78
Fiat (various) 75-77	Throttle return spring	Sept. 77-Jan. 78
AMC (various) 77	Car stumble and surge	Jan.-April 78
Oldsmobile Cutlass 78/Pontiac 77	Hesitation, engine surge	May-June 78
Chrysler (various)	Mid-speed surge cold drive	May-June 78
Volvo (various) 70-73	Throttle malfunction	Feb.-May 78
Chevrolet-Pontiac 75-78	Accelerator pedal jams	Feb.-May 78
Ford (various) 77	Cruise control	Feb.-April 78
Pacesetter Cruise Control	Jams throttle	May-Nov. 78
Ford 382 CID Truck 77	Engine surge	May-June 78
VW Rabbit 78	Throttle kicker with air cond.	Aug.-Nov. 78
VW Rabbit, Scirocco 76-80	Accelerator linkages	July 78-Sept. 80
GM A/T Models 73-86	Sudden acceleration	Aug. 78-Aug. 86
Mack Fire Trucks	Accel. return spring breakage	Sept.-Oct. 78
Ford Fiesta 78	Carb. hot soak surge	Nov.-Dec. 78
VW Dasher, Audi Fox 74-78	Accelerator linkages	Oct. 78-April 79
Subaru (All Models) 74-75	Cold weather throttle stick	Nov. 78
Cadillac 77-78	Sudden accel. when 1st in gear	Jan.-May 79
Ford cars, trucks (various) 71-78	Secondary throttle plates	May 79-April 80
Ford 3200 mod. carb. 74-78	Throttle shaft icing	Aug.-Nov. 79
Saab 900	Electronic speed control	Sept.-Dec. 79
Chrysler Omni/Horizon 78-79	Alleged throttle sticking	May 79-Sept. 81
VW Rabbit diesel 77-79	Excessive engine acceleration	July 79-Jan. 80
Toyota Model RT134	Accelerator linkage	Feb.-March 80
Nissan/Datsun (various) 74-83	Sudden acceleration	Feb. 80-April 85

Source: NHTSA

AUTOMOTIVE NEWS/JOE WILSSENS

Some 35,000 engineers are expected to attend what SAE calls the largest annual meeting of its type

SAE Congress opens Feb. 23 in Detroit

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Once each year, the world's automotive engineering community focuses its attention on this city's riverfront and the SAE International Congress & Exposition.

The gathering, known universally as the SAE Show, runs Monday-Friday, Feb. 23-27 in Cobo Hall.

SAE, the Society of Automotive Engineers, has nearly 50,000 members. The organization launched a major recruiting campaign that is expected to heighten interest in the show and boost attendance this year. Some 35,000 engineers are expected to attend what SAE calls the largest annual meeting of its type.

"This year's congress provides an outstanding opportunity to learn about the latest changes taking place in vehicle engineering and manufacturing, engine design, new materials applications, electronics, fuels and lubricants and other fields," said John A. Betti, general chairman of the congress.

Betti, an SAE member since 1952, is executive vice president — technical affairs and operating staffs at Ford Motor Co.

The SAE event includes about 550 technical presentations that are divided into approximately 170 sessions. About 150,000 square feet of floor space will be devoted to the exhibits of 375 major suppliers to the auto trade. Strong emphasis on engineering materials and electronics is expected this year.

Donald Petersen, Ford Motor Co. chairman, will be the principal speaker at the annual banquet Feb. 26. It is expected to draw 5,000 people, SAE said.

GM, importers win round in suit over CAFE fines

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A suit over EPA's handling of fines imposed under the Corporate Average Fuel Economy law has turned into a fight over whether public interest groups can sue when they disagree with federal regulatory decisions.

General Motors and the Automobile Importers of America group have succeeded in getting a case they lost returned to court over the issue of whether consumer groups — in this case the Center for Auto Safety, Public Citizen, Union of Concerned Scientists and Environmental Policy Institute — can sue a federal agency as third parties to a regulatory decision.

The case will come before the full 11-judge U.S. Court of Appeals for the District of Columbia as the result of a joint petition filed by GM and AIA. A majority of the judges agreed to rehear the case some time between late April and early June.

Last December, three judges ruled unanimously that EPA had acted illegally in determining adjustment factors that ultimately reduced CAFE fines for various companies. The Center for Auto Safety estimated the court's refusal to allow the adjustments cost GM about $250 million and Ford an estimated $50 million. AIA members such as Jaguar, BMW, Volvo, Saab, Peugeot and Porsche would also have had to pay an unknown amount of fines.

EPA decided in 1985 to compensate auto companies with CAFE credits after the agency changed its testing procedures. The agency reasoned the test changes would have resulted in higher average fuel economy numbers for vehicles made since 1975, when CAFE standards were first made law.

Auto companies were told they could use the credits to increase their present or future CAFE, or use the credits to offset penalties they might have incurred as a result of missing the standard. Adjustments were given for cars made during the 1975-84 model years.

In July 1985, when EPA announced the adjustment, it was estimated the change would give Ford and GM CAFE credits worth some $500 million.

If the full court rules that consumer groups do not have standing or grounds to sue, then the entire decision on CAFE adjustment is thrown out.

Indeed, serious questions about who could challenge EPA on such a matter would be raised. For example, the Center for Auto Safety and the state of California have challenged the proposed 1987-88 CAFE standards as being too low.

The Competitive Enterprise Institute, a conservative think tank, has gone to court because it believes CAFE levels are too high.

At the end of last year, a spokesman for the vice president's Task Force on Regulatory Relief said the Reagan Administration planned to "rethink" the automotive fuel-economy standards, and made it clear that a full-fledged repeal may be sought.

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61st year—No. 5167

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Lienert ends career at Automotive News

Editor-at-large Robert M. Lienert has left Automotive News for health reasons.

Lienert, 60, was editor from 1974 until late 1985, when he was named editor-at-large. He joined the paper in 1953 as an editorial associate, was named news editor in 1962 and managing editor in 1966.

He came to Automotive News from the Detroit Free Press, where he was a copy editor from 1947 to 1953. He received his bachelor of arts degree in journalism from the University of Nebraska and his master of science degree from the Medill School of Journalism at Northwestern University.

In a memo to the staff announcing Lienert's resignation, Automotive News Publisher and Editorial Director Keith E. Crain said, "I know each of you shares my sadness at the loss of Bob's spark, smile, humor and charm — to say nothing of his tremendous contribution as editor of Automotive News for more than a decade, and most recently as a teacher to all of us and confidant to many."

Lienert

Lienert was promoted to editor shortly after Crain Communications Inc. acquired the paper in 1971, and it was under his directorship that the paper expanded its scope from dealer issues to become an industry-wide journal.

Lienert was one of the first to cover the import-car industry. In the mid-1950s, he developed what may have been the first directory of importers and distributors.

A.B. Volvo presented Lienert and Automotive News a silver globe in 1961 for "outstanding achievement in evaluating and communicating the progress of the automotive industries of the world.' It is believed to be one of only two that exist. Lienert and Automotive News also were honored with a loving cup from Simca in 1964 for "outstanding coverage of the import-car market."

Lienert, his wife, Audrey, and two of their five children live in New Baltimore, Mich., where he is chairman of the city zoning board of appeals and director of the public library.

Crash rates for doubles termed high

WASHINGTON — Compared to their numbers on the highway, trucks with two trailers are two to three times more likely to be involved in crashes than tractors pulling only one trailer, according to the Insurance Institute for Highway Safety.

The crash involvement rate of "doubles" is greatest in single-vehicle crashes, a major new study by the insurance institute pointed out.

Crashes of doubles are much more likely to involve jack-knifing than crashes of singles, suggesting that the instability of the double configuration is a factor in their higher crash rate, the study found.

The institute's study was made in cooperation with the Washington State Patrol. It covered two years and included 734 large trucks that were involved in crashes on interstate highways, compared to a sample of trucks that were not involved in crashes.

In their comparisons, institute researchers had to account for the fact that different types of trucks have different travel patterns.

To do that, they investigated truck crashes on the interstate highways and collected information on the type of truck, driver and condition of the equipment.

Then they went to the crash sites and collected information on randomly-selected trucks, thereby establishing a sample for crash-involved trucks and a comparison, or control, group.

They said that was the only way to compare the effects of truck and driver characteristics for trucks of different configurations under similar travel conditions.

The National Research Council has said that the greater cargo capacity of double-trailer combinations means motor carriers could reduce overall mileage by 9 percent.

At the time of the council's study, there was no definitive data on the relative crash risk of doubles and singles, the insurance institute said.

Despite that lack of definitive data, the insurance institute added, the council estimated that overall mileage reductions associated with doubles would compensate for their increased crash risk.

But the institute's new data suggests that the reduction in mileage cannot compensate for the increased crash rates of the doubles.

Researchers warned that the widespread use of doubles will inevitably result in a disproportionate increase in truck crashes.

Motor carriers with large fleets argue that they can operate their double-trailer rigs without increased risk because of their careful attention to maintenance and safety, the institute added.

Although doubles in larger fleets have lower crash rates than those in smaller fleets, their rate is still higher than the crash involvement of tractors with only one trailer, according to the institute study.

Other findings from the study showed that empty trucks are more likely to be involved in crashes than loaded trucks; younger drivers are more likely to have crashes than older ones; and drivers operating a truck for six or more hours are more likely to be involved in crashes than those with fewer driving hours.

GMC Sundancer Sport Truck
Eighty California Sundancers from GMC Truck are lined up by the Queen Mary in Long Beach, Calif., for a dealer driveaway that introduced the limited-production model to the Southern California market. The trucks feature special paint treatment and equipment.

Brake law revised

All wheels must have stopping ability

WASHINGTON — Heavy-duty trucks and tractor trailers must be equipped with operating brakes on all wheels under a law taking effect this year.

However, the operators of most trucks built since July 24, 1980, will have until Feb. 26, 1988, to install brakes on all wheels.

The rule reverses 30 years of Department of Transportation policy allowing motor carriers to remove brakes from the front-axle wheels of trucks with three or more axles.

The policy was overturned by a congressional order contained in the Commercial Motor Vehicle Safety Act of 1986.

According to the rule, as of Feb. 26, 1987, every commercial motor vehicle over 10,000 pounds GVW must be equipped with brakes acting on all wheels, with the following exceptions:

- Trucks or truck tractors having three or more axles need not have brakes on front wheels if the vehicle was manufactured before July 25, 1980.
- Trucks and tractors manufactured between July 24, 1980, and Oct. 27, 1986, must be retrofitted to meet the requirements of the rule by Feb. 26, 1988, if the brake components have been removed.

The rule also requires that any full trailer, any semitrailer, or any pole trailer having a GVW of 3,000 pounds or less must be equipped with brakes if the weight of the towed vehicle resting on the towing vehicle exceeds 40 percent of the GVW rating of the towing vehicle.

The Federal Highway Administration said the rule amends Federal Motor Carrier Safety Regulations and brings heavy-duty trucks into compliance with regulations similar to those imposed by NHTSA on passenger vehicles.

Truckers long have argued that the removal of front-axle brakes helps to prevent jackknifing. Manufacturers claimed, however, that brake removal increased the likelihood of truck accidents.

The FHWA said the removal of truck brakes creates an imbalance in braking.

"The lack of front brakes increases . . . the risk of drive and trailer axle wheels locking and resulting in instability (jackknifing or trailer swing); increases the stopping distance, since the number of axles available to apply retarding force is reduced by one; and increases the demand for work on the remaining brakes," the agency said.

Light-truck diesel sales steady at 13% for Ford; GMC notes dip

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Diesel-engine sales for Ford's light-duty trucks have leveled off, but they are down a bit at GMC.

Overall, though, diesel engines continue to account for a fairly significant percentage of light-duty-truck sales.

Recently, Ford renewed its contract to purchase Navistar International's 6.9-liter diesels for its light trucks. The contract, due to expire in January, was extended through the 1990 model year.

Ford installed Navistar's diesel engine in 89,000 F-series pickups in the 1986 model year, 13 percent of F-series production.

Unit sales of diesels in the F-series were up from 1985's 73,000, but the 13 percent share of F-series sales remained the same.

In the first quarter of the 1987 model year, the engine continued to account for about 13 percent of Ford's light-duty-pickup mix, according to a Ford official.

Ford also installed the 6.9-liter in about 8,500 Econoline vans in the 1986 model year, where they accounted for 3.8 percent of Econoline sales.

That was off slightly from 9,000 units, or 4 percent of the Econoline mix, in the 1985 model year. In the first quarter of the 1987 model year, the percentage was 3 percent to 3.5 percent.

Navistar has sold more than 300,000 diesel engines to Ford since the contract took effect in 1981.

Chevrolet and GMC also offer a 6.2-liter diesel engine in their full-sized G-vans, Blazer/Jimmy, Suburbans and full-sized pickups.

GMC retailed 11,497 light-duty diesel-equipped trucks in calendar 1986, equal to 6.2 percent of its sales. That was off from 16,641 in 1985, when they accounted for 8.5 percent of GMC's sales.

Light-truck sales dip 14% for month

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Light-duty truck sales were off 14.5 percent in January, with all the domestic makes and the imports as a group showing declines.

Some of the individual imported lines reported gains.

There were 276,088 light-duty trucks retailed last month, compared to 323,091 a year earlier.

Chrysler, Jeep and the imports gained in market share, largely at the expense of Chevrolet and GMC.

The full-sized pickup truck segment was weak in January, exerting a big impact on Ford, Chevrolet and GMC.

Ford's F-series, the industry's volume leader last year, had sales of 28,932 in January, off 27.8 percent from a year earlier. Its market share dropped to 10.5 percent from 12.4 percent in the 1986 period.

Similarly, Chevrolet's full-sized C/K pickups, with sales of 20,809, were off 39.6 percent. They had a 7.5 percent share of market, down from 10.5 percent a year earlier.

Ford may be the more disappointed of the two companies because its sales decline followed styling and engineering changes introduced on the F-series last fall. GM's new pickups won't officially hit the market until late April.

Chrysler is making some headway with its mid-size Dodge Dakota, although some of that new line's sales are obviously coming at the expense of its full-sized Dodge D/W-series pickups.

Dakota sales of 6,333 last month were nearly equal to the D/W series' 6,464.

Combined sales of Dakota and D-series pickups gave Chrysler a 4.6 percent share of market, compared with the 2.7 percent share it held with other domestically built pickups a year earlier.

Generally, the increase in Chrysler's pickup share of the market helped offset sharp declines in sales of its Caravan/Voyager minivans.

Overall, Chrysler's sales of 37,825 trucks last month gave it a 13.7 percent share of the light-truck market. In January 1986, it had a 12.5 percent share of market on sales of 40,335 light-duty trucks.

Jeep's sales of 16,491 trucks in January gave it a 6.0 percent market share, up from a 5.4 percent share in January 1986 when it sold 17,337 trucks.

Jeep's Wagoneer, Cherokee and Comanche continued to turn in strong performances, though sales of the Wrangler were off sharply.

Wrangler is feeling some pressure from the smaller, lower-priced Suzuki Samurai whose sales continue to escalate sharply.

Suzuki Samurai sales of 5,662 last month were up 97.6 percent from a year earlier, accounting for a 2.1 percent share of the overall truck market.

Suzuki officials are projecting 75,000 Samurai sales in calendar 1987, up from 47,732 last year.

Nissan, Mitsubishi and Isuzu also had year-to-year gains in sales and market share, though import truck leader Toyota was off sharply for the month.

Overall, the imports retailed 57,070 trucks in January for a 20.7 percent share of market. That compared to 60,758 sales or an 18.8 percent market share in January 1986.

Light Duty Truck Sales
January

	1987	1986
Vans	10,410	12,195
Aerostar	6,488	8,160
Club Wagon	1,830	1,965
Ranger	19,676	22,836
Bronco	3,212	3,485
Bronco II	8,072	5,984
Pickups	28,932	40,085
Ford	**80,620**	**94,710**
Vans	5,836	8,224
Sportsvan	778	1,020
Astro	8,839	8,853
S-10	13,520	16,046
S-10 Blazer	10,057	10,311
El Camino	921	2,465
Blazer	1,908	2,890
Suburban	3,086	3,276
Pickups	20,809	34,454
Chevrolet	**65,754**	**87,542**
Vans	4,215	3,952
Ram Wagon	2,273	2,047
Voyager	4,948	8,274
Caravan	5,618	8,857
Mini Ram Van	855	1,187
Ram 50	4,831	5,929
Raider	939	-
Ramcharger	1,349	1,340
Dakota	6,333	-
Pickups	6,464	8,749
Chrysler	**37,825**	**40,335**
Vans	2,584	2,556
Safari	1,911	1,989
S-15	3,102	3,717
S-15 Jimmy	2,524	2,660
Jimmy	579	572
Caballero	142	321
Suburban	1,144	1,290
Pickups	5,536	8,937
P Model	692	306
W-4	114	61
GMC	**18,328**	**22,409**
Wrangler/CJ	1,906	4,064
Wagoneer	1,147	934
Cherokee	9,092	7,916
Grand Wagoneer	1,282	1,440
Comanche	2,868	2,818
J-10/J-20	166	165
Jeep	**16,491**	**17,337**
Toyota	18,403	26,889
Nissan	15,894	14,789
Mazda	8,358	8,648
Isuzu	5,848	5,591
Mitsubishi	2,905	1,976
Suzuki	5,662	2,865
Imports	**57,070**	**60,758**
Industry Total	**276,088**	**323,091**

Ford held its market share in January, largely because of the strength of its Aerostar minivan and Bronco II sport/utility.

Ford's sales of 80,620 light trucks in January gave it a 29.2 percent market share. Last year, it retailed 94,710 light trucks for a 29.3 percent market share.

Chevrolet's market share dropped to to 23.8 percent from 27.1 percent in January 1986.

Chevrolet retailed 65,754 light-duty trucks compared to 87,542 a year earlier.

The Astro minivan and S-10 Blazer sport utility were Chevrolet's two strongest lines in January, nearly matching their year-earlier performances.

Sales of El Camino, however, slumped to 921 units from 2,465 a year earlier.

GMC retailed 18,328 light trucks, off from 22,409 last year.

Its market share dropped to 6.6 percent from 6.9 percent a year earlier.

Analysts generally are looking for stronger sales this month, given the wide-ranging level of incentive activity which has taken hold not only among domestic, but import truck manufacturers as well.

Sales are also expected to benefit from the new longer warranties, being offered by the domestic manufacturers.

SERVICE MANAGEMENT

NADA seminars offer suggestions on improving service operations

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The real business of the dealer's backshop continues to be dealing with customers and fixing their cars.

That message was not so evident at the National Automobile Dealers Association exposition, which was dominated by computer firms pushing wares for the back shop. But in the NADA seminars, the message was clear: The success of a service operation depends on the competence of its personnel and on its ability to make customers feel the dealership is looking out for their best interests.

Following are several approaches to a successful dealer shop, as advocated by NADA seminar speakers.

Sink-or-swim approach

Every once in a while, a throwback comes along, spits in the face of progress and shows that the old way wasn't necessarily the bad way.

Fred Frederick, owner of Fred Frederick Chrysler-Plymouth, Laurel, Md. is such a case.

Frederick, an ex-Marine drill instructor, doesn't much believe in factory-trained mechanics. He isn't thrilled by computers in the service shop, although he has them.

What Frederick does believe in, is the mechanic who is able to look at a machine and, by wits and experience, figure out how to fix it.

Frederick doesn't really invest much time in training his mechanics. They train themselves. His training program — and it very definitely is an organized program — might best be described as sink or swim.

For 15 years, each mechanic in Frederick's shop has gone through the program.

Frederick doesn't look for an experienced mechanic with a complete set of tools. He won't take graduates of vocational schools. And he won't take experienced mechanics. He looks for young people willing to learn.

Frederick puts his applicants through a written mechanical comprehension test and a simple manual dexterity test.

Having passed Frederick's rigorous application process, trainees must pass 10 training assignments — generally within two years.

Trainees learn on their own time while being paid for duties in the shop relating to their skill level.

Frederick figures he is doing a good job if two of four applicants pass through training to become full-fledged technicians.

"If you have a problem teaching yourself, this is not the program for you," Frederick says.

"Take Assignment 6, for example. We give a guy a wiring harness and the wiring manual. He has to figure out what goes where. When he does that, he is among the top 5 percent of mechanics in electrical repair. I have been in shops where the car is all torn apart by a mechanic looking for a short. You don't see that in my shop."

Technician trainees also must learn to explain the repair process.

"When he learns how to explain what he has just learned, he'll go over an tell his buddies," he says.

Frederick will ask a trainee to explain a repair procedure. When the trainee gets stuck, Frederick will help out.

In most cases, though, the trainee is on his own.

Frederick teaches his technicians to fix a broken automatic transmission by giving them a broken transmission and a service manual. (Customer cars are not used for such tests.)

"When the car is back together, I'm the guy who drives it off the lift," Frederick says. "Everybody in the shop watches and waits because everybody knows that when I put that car in gear, it is the technician's examination."

Technician trainees start at $5 per hour. As they pass each assignment, they get a raise. When they have completed all 10 assignments, technicians work at a flat rate of $13.50 an hour. Frederick said a good mechanic can earn $35,000 to $40,000 per year.

Does the Frederick training program work? He claims to have one of Chrysler's highest Customer Satisfaction Index ratings.

Perhaps more telling, though, is his statement that, "During the tough times at Chrysler, we never had a red month because of our service shop business."

Frederick's dealership is relatively small, selling some 850 cars per year.

Frederick admits such a program probably would not work at a dealership where the owner is not very involved in the service end.

Teams: Old, new ways

The more things change, the more they stay the same.

Such is the case with the team approach to repairing automobiles as outlined by Ed Kovalchick, president of Net Profit, a national automotive management and financial consulting firm in Alabaster, Ala.

Kovalchick also is a partner in 10 West Coast auto dealerships.

In the 1950s, Kovalchick notes, there was a more direct relationship between technician and customer. The service manager was the only stop between the two.

It was common for service managers to dispatch work into groups or teams of technicians, skilled in all types of repairs. (Teams may or may not work together on one car, and they split the hourly pay for their work.)

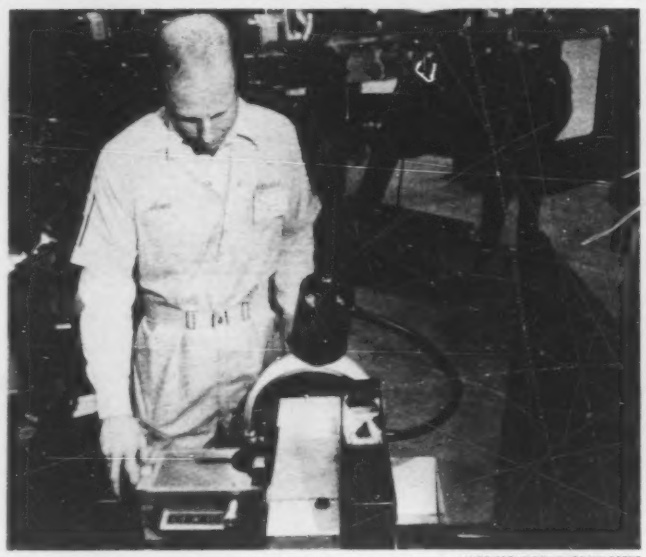
As the number of dealerships diminished and cars became more complicated, dealerships began using specialists, adding service advisors, warranty managers, service greeters, customer relations personnel and computers to keep track of everything.

"What I suggest is an evolutionary cycle," Kovalchick says. "If you look at the way shops were run 30 or 40 years ago when they were successful, there was a direct relationship with the customer — only a service manager between the technician and the customer. Now, there is no personal contact with the technician. He is lost in his own world. The technician today doesn't have reason to respond to a customer."

The current team approach that Kovalchick advocates breaks the service shop into small groups of technicians with a single service manager. Each team functions as a service operation in its own right. The team, Kovalchick says, "has its own personality" and weeds out members who hinder the efficiency of the group.

However, Kovalchick warns that the team approach will not work if the dealership is not committed to the approach. He also claims the service shop must be operating efficiently with the current system before switching to teams.

"The foundation of a well-run service department has nothing to do with teams," he says. "Teams are the icing on the cake to get the extras they provide: the opportunity for training that occurs when people work closely together; the need for fewer repair stalls; competitiveness within the dealership; a career path for young mechanics."



Repair equipment was a rarity at the NADA exposition AUTOMOTIVE NEWS/JOE WILSSENS

He adds, "All of this will not fit if the foundation is not in place. The foundation starts in the parts department, the writing of repair orders, the cleanliness of the shop and the skill and attitude of the employees."

He says it generally takes nine months for a dealership to put its shop in order before the team approach can be put into effect. Sometimes, he says, it is just not possible to adopt a team system.

The dealer must be committed to operate such a system, not merely to try it out, he says.

Bob Gault, Gault Chevrolet Co., Endicott, N.Y., claims the dealership's service sales and profits were No. 3 in a three-dealer market when Kovalchick's firm was engaged in 1977. The dealership's service shop is now more profitable than those of the other two dealerships combined, he says.

Advisors not mechanics

A service advisor does not have to be a mechanical expert to be a top performer, claims James Preston, senior vice president of Assessment Designs International, a consulting firm in Maitland, Fla.

Preston came to that conclusion as a result of a study of more than 1,000 General Motors service advisors, service managers and service directors.

Preston says the best service advisors are those who are good listeners, who ask customers the proper questions to determine what is wrong with their cars and who exude confidence that they can fix the problem.

However, Preston says, communications skills are not the only qualities needed by top service advisors. In hiring service advisors, Preston says, the dealer also should consider the ability and experience that will allow an applicant to withstand the environmental rigors of the job: A service advisor must often withstand periods of extreme heat and cold, long hours standing and stressful situations in dealing with customers.

A service advisor's performance may be evaluated based on the Customer Satisfaction Index of the shop's customers and on his ability to sell service to customers, as well as on his communications skill.

Motivating personnel

W.C. Smith, service manager for Capitol Cadillac Co., Greenbelt, Md., has upgraded the dealership's service-related Customer Satisfaction Index from 10th lowest in 1981 to fifth highest in 1985 among large, exclusive Cadillac dealers.

Smith motivates his employees by encouraging pride in their jobs and by providing monetary rewards for a job well done.

Employees receive incentive pay for outstanding work, and there are awards and rewards for the top employees of the month and year.

Smith says the dealer must be committed to the success of the operation and must be in direct contact with customers and employees. He subscribes to "management by walking around."

Dealers' shop business registers 5% increase for 1986

SERVICE INDEX
108.7★

	December '86 vs. December '85	12 mos., '86 vs. 12 mos., '85
Gross Profit on All Labor and P&A Sales	+9.8%	+7.1%
Repair Orders Written	+2.0%	−0.1%
Total Labor Sales (Customer & Warranty)	+9.9%	+8.6%
Shop Parts Sales (Customer & Warranty)	+10.0%	+6.6%
Sales of All P&A	+11.8%	+4.3%

★—Survey by Automotive News shows that dealers' service and parts business in December 1986, was 108.7 percent of business in December, 1985. Service business during all of 1986 was 105.3 percent of business during 1985.

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business at new-car dealerships during 1986 continued to climb, as it has since 1980.

The Automotive News Service Index showed that shop business at dealerships in 1986 climbed 5.3 percent over business during 1985.

The greatest gain in the 24-year history of the Service Index occurred in 1984 when shop volume increased 13.5 percent over 1983.

In 1980, service volume dipped to 98.3 percent of the 1979 figure.

Service volume during 1986 declined in only two months as compared with corresponding months of 1985.

In February 1986, the Service Index fell to 99.6 percent of the year-earlier month. And in November 1986, the Index fell to 97.7 percent of November 1985.

In December 1986, business in the backshop recovered after the November dip.

The Service Index shows that shop business at dealerships in December amounted to 108.7 percent of the volume in December 1985.

A Chevrolet dealer in the Northeast, whose service volume increased in December, said, "We sold and delivered more new vehicles in 1986 than in any other year. They had to come back for service — lube, oil, filters, state inspections. We also retain a large share of former new-vehicle buyers."

A Western Buick dealer attributed his December service volume increase to a service advisor who did a better job of selling work.

A Northeast Saab dealer said service volume increased about 30 percent in December, but he claimed the increase was unusual for the month.

Some dealers who reported declines in December service business attributed the drop to the holiday season.

Total labor sales (customer paid and warranty) registered the biggest gain during 1986, up 8.6 percent. Gross profit on all labor, parts and accessories was up 7.1 percent; shop parts sales (customer paid and warranty) were up 6.6 percent; and sales of all parts and accessories climbed 4.3 percent.

Repair orders written were down 0.1 percent for 1986.

Parts and accessories sales to off-premises customers were up 1.8 percent for 1986.

Sales of all parts and accessories was the leading indicator in December, up 11.8 percent over the 1985 month. Also showing impressive gains were shop parts sales, up 10.0 percent; total labor sales, up 9.9 percent; and gross profit on all labor, parts and accessory sales, up 9.8 percent.

Repair orders written were up 2 percent in December.

Parts and accessories sales to off-premises customers were up 13.7 percent in December.

AUCTION DATES

American Motors

Feb. 17 — D-A Auto Auction, New Stanton, Pa., and Aptco Auto Auction, Taylor, Mich.

Feb. 18 — Minneapolis Auto Auction, Plymouth, Minn., and Kansas City Auto Auction, Kansas City, Mo.

Feb. 19 — Evansville Auto Auction, Evansville, Ind., and Todd Auto Auction, Telford, Pa.

Feb. 24 — Statesville Auto Auction, Statesville, N.C.

Feb. 25 — Columbus Fair Auto Auction, Columbus, Ohio, and Metro Milwaukee Auto Auction, Caledonia, Wis.

Chrysler Corp.

Feb. 17 — Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

Feb. 18 — Butler Auto Auction, Gibsonia, Pa.; Columbus Fair Auto Auction, Obetz, Ohio; Minneapolis Auto Auction, Plymouth, Minn.; and Southwest Auto Auction, Phoenix, Ariz.

Feb. 19 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; and Indianapolis Auto Auction, Indianapolis

Feb. 24 — Florida Auto Auction of Orlando, Ocoee, Fla.; Aptco Auto Auction, Taylor, Mich.; NuCarPrep System, Santa Fe Springs, Calif.; and Dallas Auto Auction, Grand Prairie, Texas

Feb. 25 — Southern Auto Auction, Warehouse Point, Conn.; A.D.E. of Alabama, Sand Mountain, Ala.; and South Seattle Auto Auction, Kent, Wash.

Ford Motor Co.

Feb. 17 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 18 — Lakeland Auto Auction, Lakeland, Fla.

Feb. 19 — Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Englewood, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Feb. 24 — South Seattle Auto Auction, Kent, Wash.

Feb. 25 — Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; Clanton's Auto Auction, Darlington, S.C.; and Brasher's Southern California Auto Auction, Fontana, Calif.

General Motors

Feb. 17 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Dallas; and South Seattle Auto Auction, Kent, Wash.

Feb. 18 — Atlanta Auto Auction, Red Oak, Ga.; Clanton's Auto Auction, Darlington, S.C.; and Omaha Auto Auction, Omaha, Neb.

Feb. 19 — Arena Auto Auction, Chicago; Ohio Auto Auction, Columbus, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Feb. 24 — Harrisonburg Auto Auction, Harrisonburg, Va.

Feb. 25 — Hatfield Auto Auction, Hatfield, Pa.; Indianapolis Auto Auction, Indianapolis; Golden Gate Auto Auction, Fremont, Calif.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Used Car Sales
Auction Averages

February to date 1987	$5,742
Month ago	$5,878
Year ago	$4,800

Model Breakdown
Auction Averages

	FEB 1987	JAN 1987	DEC 1986
1987	$13,170	$13,158	$ 00
1986	$10,395	$11,481	$11,149
1985	$7,657	$7,054	$8,144
1984	$6,030	$5,811	$6,142
1983	$4,923	$4,995	$5,386
1982	$3,723	$3,599	$4,141
1981	$2,488	$2,614	$3,177
1980	$2,081	$1,997	$2,349
Overall Average	$5,742	$5,129	$5,181

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METRO MILWAUKEE AUTO AUCTION *(414) 835-4436*	Apr. 29	July 22	Oct. 14
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Hughes ups GM's military exports

An independent study indicates General Motors, through its acquisition of Hughes Aircraft Co., has moved into the top 10 among U.S. firms selling military hardware abroad.

Ford Motor Co. climbed into the 11th spot in fiscal 1985, according to the new study by the Investor Responsibility Research Center, Washington. The company was not among the top 30 in fiscal 1984.

Data for the IRRC's "U.S. Arms Exports: Policies and Contractors" was culled from unclassified Pentagon documents.

GM alone sold $86.9 million worth of military goods outside the United States in fiscal 1985 to rank 13th among U.S. firms, according to the study. Hughes was 12th with sales of $94.3 million. The two firms were not combined in the IRRC's ranking because GM did not own Hughes during fiscal 1985.

If GM and Hughes exports had been combined, GM would have ranked 10th with a total of $181.2 million.

Ford exports increased dramatically to $100.8 million in 1985, up from just $7 million in fiscal 1984, according to the study.

Ford's rapid rise was due to sales of Sidewinder and Chaparral missiles, an IRRC spokesman said.

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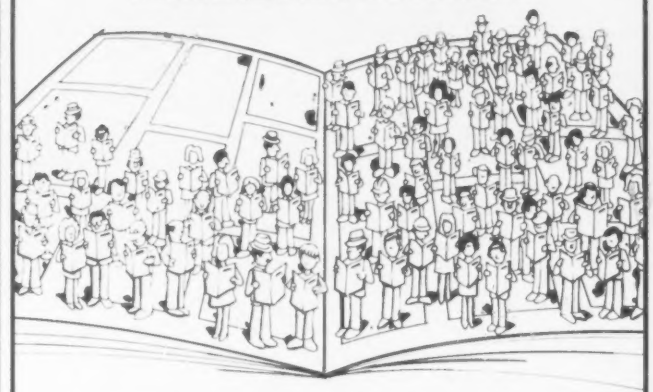

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